

Use of Force in Bosnia: When a President Faces A Candidate's Rhetoric

By Stephen Engelberg and Michael R. Gordon
New York Times Service

WASHINGTON — The collapse of the peace plan for Bosnia brings President Bill Clinton face-to-face with the question he has avoided ever since: Should the United States use force to stop the fighting in Bosnia?

Now, the Serbs have called the administration's bluff — betting, in essence, that Washington will not respond with force and that they can weather sanctions while they continue grabbing land in Bosnia.

The sanctions issue will be tackled this week, but in an emergency meeting on Saturday, the Security Council asked the United Nations to send more peacekeeping troops to Srebrenica, where the most recent fragile cease-fire was shattered and the Bosnian Serbs barred convoys from delivering aid to stranded Muslims.

Administration officials said they planned to support tighter sanctions against the Serbs through the United Nations and then to explore with allies the possibility of exempting Bosnia from the arms embargo on the former Yugoslavia.

While there is an administration consensus on these steps, there is no agreement about what, if any, military action to take if those efforts fail.

Since Mr. Clinton took office, he has relied on diplomacy and economic sanctions as his weapons. He has said he was willing to send U.S. ground troops, but only in the role of peacekeepers to enforce an agreement honored by all sides.

During the presidential campaign, Mr. Clinton ruled out the deployment of ground troops but called for air strikes against the Serbs and said the West must be tough in discouraging the ethnic aggression unleashed by the fall of communism. After taking office, he shelved the most muscular military op-

tions and sought instead to improve a peace pact that recognizes some of the Serbs' military victories, but denies them their aim of annexing parts of Bosnia.

Critics inside and outside government argue that Mr. Clinton's initial decision against arming the Bosnians or using force amounted to a failure of will that emboldened the Serbs. Mr. Clinton's aides say they are doing far more than their predecessors, and maintain that the shift in position is part of the education of a president who is still at the mercy of shifting international realities and who needs to keep his domestic agenda of economic renewal in the forefront.

A reconstruction of the Clinton administration's decision-making on Bosnia, based on interviews with officials, has brought to light new details about what officials call their toughest foreign policy dilemma.

Limits were set at the outset on the extent of Washington's involvement. The Clinton administration concluded shortly after taking office that Bosnia's travail, though tragic, did not amount to a "never-again" scenario that morally compels America to intervene. Rolling back all the Serbs' territorial gains, about 70 percent of Bosnia, was not a realistic goal, officials decided.

The value of using force has prompted conflicting advice from the Pentagon. General Colin L. Powell, chairman of the Joint Chiefs of Staff, has persuaded some senior policymakers that air strikes would not silence the artillery around Sarajevo or deter Serbian aggression. But Defense Secretary Les Aspin has argued that air raids could deter Serbian attacks.

Although the administration has placed great hopes on the effect of tighter sanctions, the CIA recently concluded a study that says they will have little immediate effect on the fighting in Bosnia. The Serbs' weapons are so

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Clinton, Pledging \$1.6 Billion, Offers 'Partnership' With Russia

By Paul F. Horvitz
International Herald Tribune

VANCOUVER, British Columbia — President Bill Clinton, ending two days of talks with President Boris N. Yeltsin, declared Sunday that "we have laid the foundation of new partnership" between the United States and Russia.

At a joint news conference that underscored a new friendly relationship, Mr. Clinton called the meetings "intensely productive" and vowed that the United States would not "stand on the sidelines" as Russia pursued economic and political reforms. He declared that it was "the self-interest and high duty of all the world's democracies" to contribute to that transformation.

U.S. officials earlier outlined a \$1.6 billion package of aid and assistance to bolster Mr. Yeltsin's reform efforts.

Mr. Yeltsin said he was "fully satisfied by the results and the spirit" of the summit meeting. He said aid to Russia would also create jobs in the West and adamantly stated: "These are not Christmas presents. Not at all. This is policy and major policy."

"We didn't sweep anything under the table," Mr. Yeltsin said, characterizing the U.S.-Russian relationship as a partnership of future allies rather than rivals.

Mr. Clinton concurred, saying, "We're investing today not only in the future of Russia but in the future of America as well."

Strongly reiterating U.S. support for the Russian president in his power struggle with conservative opponents, Mr. Clinton said: "Our nation will not stand on the sidelines when it comes to democracy in Russia. We actively support reform and reformers and you."

"We expect to do more than we are announcing today in housing and technical assistance, in nuclear safety and cooperation on the environment," Mr. Clinton said.

"This challenge we face today is clearly not one for the United States and Russia alone," he said. "I have asked our allies in the U.S. to come forward with their own bilateral initiatives."

Mr. Clinton said that he and Mr. Yeltsin had discussed a coordinated effort by the Group of Seven industrialized democracies to help Russia stabilize its economy and its currency.

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A European aid official sees the summit meeting as one step in a global agenda. Cooled silver masses and lack of overcoats. It's all part of subtly getting the upper hand.

Mr. Yeltsin said he and Mr. Clinton had agreed to do away with the Jackson-Vanik amendment, a Cold War-era measure that requires the Soviet Union to permit free emigration to qualify for favorable trade terms. But Mr. Clinton said that he had only promised to urge the U.S. Congress to eliminate as many trade restrictions as possible.

Officials on both sides said the two presidents would turn now to the task of persuading their respective constituents that Western investment in Russia would pay financial and

political dividends and yield tangible improvements for at least some Russians.

As for the \$1.6 billion aid package, U.S. officials said that Mr. Clinton wants the initiative to provide a political boost to Mr. Yeltsin at home.

"The president is determined that we will deliver on this package this year," said an aide to Mr. Clinton.

Mr. Clinton is also seeking a renewed effort by the World Bank and the International Monetary Fund to ease the rules under which Russia borrows. Washington also announced that it would support Russia's expected bid for membership in the 108-nation global trade accord, or GATT.

Prime Minister Brian Mulroney of Canada, who was host of the talks, said Sunday that the West's actions "signal confidence in the funda-

mental democratic reforms" that Mr. Yeltsin exemplifies.

Strobe Talbott, Mr. Clinton's special envoy on Russia, who sat in on the private talks with the two leaders, said that the Russian president "seemed like a man thoroughly in charge."

Yet as they engaged in two days of talks at this overcast Pacific port, both Mr. Yeltsin and Mr. Clinton freely acknowledged the atmosphere of political risk. Mr. Clinton cautioned that no one could predict future events with certainty and made clear that Russian reform ultimately rested in the hands of the Russians themselves.

Mr. Yeltsin warned against too much Western aid, which he said would allow his critics to declare that he is "enshackled" by the West.

Mr. Clinton and his aides vowed that the "targeted, people-to-people" U.S. aid plan, as

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Summit Talks: Not Like the Old Days

By Thomas L. Friedman
New York Times Service

VANCOUVER, British Columbia — Vancouver may well be remembered as the first yuppie summit meeting — a couple of world leaders up to their necks in debt, dwelling more on materialism than the military and on lifestyles more than life and death.

The summit meeting had all the drama of a bankrupt businessman applying for a bridge loan from the president of a failing savings bank.

In part, this was a result of the fundamental change in the relationship between Moscow

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and Washington since the end of the Cold War. Before, Russian leaders presented their American counterparts with a threat; now they just present them with a bill.

But this summit meeting was also on the dull side because the two leaders wanted it that way, and scripted it that way. Mr. Yeltsin made clear from the moment he stepped off his Aeroflot jet that he did not want this meeting to appear to be what it really was — a proud Russian leader coming to West with tin cup in hand. Because if it was, his opponents back home, already painting him as a lapdog of Western capitalists, would have a field day.

As Mr. Yeltsin straightforwardly remarked when asked if \$1 billion in American aid was enough: "Too little is not very good, because it is not enough to enable you to solve problems. Too much also could be bad, because it can be used by Communists to target us. The opposition will say we are shackled by the West."

Mr. Clinton and his party, sensitive to Mr. Yeltsin's predicament, played along. In what had to be a first for a Russian-American summit meeting, an American briefer actually went out of his way to tell reporters about friction between the two leaders in their one-on-one meeting in order to make it appear in Moscow that Mr. Yeltsin was standing tough.

The White House communications director, George Stephanopoulos, told reporters that Mr. Yeltsin had raised questions with Mr. Clinton about "irritants" in the relationship, ranging from trade problems to a recent collision between Russian and American submarines off the Russian coast. Mr. Stephanopoulos said Mr. Clinton had expressed his regrets for the submarine incident.

Mr. Clinton never deigned to suggest that there was any asymmetry in his relationship with Mr. Yeltsin or that this summit meeting was simply about charity.

When reporters asked Mr. Yeltsin whether American aid would make a difference, he responded: "You know, it's always useful to help a friend, especially if a friend goes through a difficult period."

At that point Mr. Clinton interjected: "I just was going to say, I don't view this as a talk about aid. This is a talk about a long-term partnership."

This stress on parity was taken at times to amusing but revealing lengths. When a senior American official briefed reporters about the details of the U.S. aid package for Russia, he began by saying: "President Yeltsin and Presi-

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Boris N. Yeltsin and Bill Clinton during a break in their talks in Vancouver on Sunday.



Rallies Across Britain and Ireland Oppose IRA Violence
Members of the Irish Freedom Movement trying to break through police lines in London on Sunday as they demanded that British troops be withdrawn from Northern Ireland. Thousands of people turned out in Britain and Ireland to demand an end to bloodshed in the Northern Ireland conflict in response to the deaths of two children in IRA bombings. The deaths on March 20 in northern England provoked broad anger against IRA violence in its campaign against British rule.

In Beirut, the Sniping Now Is Only Verbal

By Nora Boustany
Washington Post Service

BEIRUT — Flaming red jacaranda trees were in full bloom at the Sanayeh public gardens; children threw themselves down new playground slides with abandon, and a clown wandered past a pink ice cream truck parked where handicapped war victims once gathered to protest Lebanon's civil war in a less tranquil spring.

An elegant woman sauntering out of a boutique on Hamra Street in a painfully tight miniskirt shrieked when she did not find her car. "They stole it! They stole it!" she yelled, an assumption that would almost certainly have been correct in Lebanon's years of chaos. But the car had been towed away for illegal parking.

"Are we back to normal?," said Bassam Abdel Baki, a 36-year-old schoolteacher whose home is on one of the militia-controlled frontiers that used to divide this city into sectors. "No, but on the way back to normalization. I now have a telephone after 10 years. Now I live

a more relaxed life. I don't have the same kind of interruptions."

There has been no shelling in Beirut for two years. The sniping now is only political, in 12-hour debates in parliament, where the government of Prime Minister Rafiq Hariri is questioned on priorities in reconstructing Lebanon. Why build a belfry around Beirut before low-income housing? Who should control, and profit from, the rebuilding of downtown Beirut? Why has the old department of statistics not been revived?

This spring, Mr. Hariri has generated unusual optimism with his vigorous effort to rebuild the state. But there are reminders that the peace here is in some ways tenuous. It is enforced, for example, by 40,000 Syrian troops, whose presence is itself a matter of dispute.

Mr. Hariri, a burly, soft-spoken billionaire, hopes to combine his private fortune and his political skills to reconstruct Beirut as the pearl of the Mediterranean.

He has announced an intensive three-year effort to rehabilitate existing structures as the first step in a building program aimed at the year 2000. The plan would rebuild schools, universities, the electrical grid, water and sewer systems, hospitals and roads. It would add a half-million telephone lines, expand the harbor and international airport, add low-income housing and begin to clean up pollution.

"When visitors come to Lebanon in September, they will see construction sites everywhere," Mr. Hariri said in an interview at his newly refurbished villa here.

Many say they believe he can do it. In six months in office, he has been given such nicknames as "the Messiah," "Santa Claus," "Mr. Miracle" — and "Batman."

A Lebanese pollster, Rafiq Haber, said his recent surveys had reflected the hopes here. "In previous polls, we never had anything called

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Anti-Indian Protesters Defy Pakistan

MUZAFFARABAD, Pakistan (AP) — Hundreds of anti-Indian demonstrators defied army warnings and pressed toward the disputed Kashmir border on Sunday, clambering over rubble in a mountain pass that was dynamited in an attempt to stop them.

The government, fearing another confrontation with India, pledged to halt the demonstrators and sent troops to block their way. But the organizer of the march vowed to

continue "until death stops us." Two wars have been fought over the predominantly Muslim Kashmir region since it was divided between Pakistan and India in 1949.

The Indian portion makes up part of the state of Jammu and Kashmir, India's only Muslim majority state. Since 1990, Jammu and Kashmir has been torn by a violent campaign to achieve either independence or union with Islamic Pakistan.

Business/Finance
Australian banks are in for more real estate trouble. Page 9.

Two-Car Garage? In Suburbia, That's Not Enough

By Dan Beyers
Washington Post Service

WASHINGTON — That hallowed staple of suburban American life — two cars and a garage — is looking a little timeworn in parts of the United States.

A growing number of married families have determined that the key to maintaining household harmony is the one that starts a third or fourth car. Or even a fifth one, in the case of the five-member Meyer family in suburban Washington.

With the whole family on wheels, they are risking the wrath of the neighbors over parking rights in their town house development.

"There was a lot of talk at a recent homeowners meeting about teenagers and their cars; people were really down on them," said Denise Meyer, 44, the mother of the family.

Mrs. Meyer said she, her car-pooling husband and their older daughter, 23, all needed their cars to get to work. A second daughter, 21, took her car to college. Then there is the old Dodge Shadow for Kevin, 17.

For him, the car means freedom to take part in extracurricular activities at school and hold down a job as a cook at a local seafood restaurant.

"The cars are gone most of the time," said his mother. "They get used so much."

The hearty appetite for cars is most apparent in outer suburbs around Washington, where mass transit is scarce and few destinations lie within easy and safe walking distance.

About a quarter of all households in the outer counties now own three or more cars, according to 1990 census figures. A decade-long boom in car ownership left nearly 80 percent of the region's 16-and-older population with a car for personal use, up from 74 percent in 1980.

Cars have become so numerous on high school campuses that some principals have ordered rationing of parking spaces or are charging fees to discourage their use. Homeowners associations, meanwhile, have begun to grapple

with parking problems. In some neighborhoods where space is tight, car owners are parking their extra cars in fire lanes or in their yards.

In Loudoun County, the Washington region's leader in households with more than three cars, five families in one development have sought permission to build bigger driveways or garages in the last 18 months, said Roger Harris, a homeowners association administrator who reviews the proposals.

About half the homes in some older neighborhoods of single-family houses have more than three cars, Mr. Harris estimated. "Most of

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WORLD BRIEFS

North Koreans Accuse UN of Bias

TOKYO (AP) — North Korea, defending its refusal to accept further nuclear inspections, accused the United Nations' inspection agency Sunday of unfair bias against the Communist nation.

Ivory Coast Troops Get Trigger-Happy

ABIDJAN, Ivory Coast (Reuters) — Gunfire was reported overnight among soldiers in Ivory Coast's elite Republican Guard in the inland capital, Yamoussoukro.

Rocard Ousts Fabius in Socialist Post

PARIS (AP) — Following its overwhelming election defeat, the French Socialist Party ousted Laurent Fabius as its first secretary in a bitter split that may destroy hopes to rebuild the French left.

Red Brigades Figure Gets Day Leave

ROME (AFP) — The founder of the Red Brigades terrorist group, Renato Curcio, will be allowed to leave his cell during daytime to run a cooperative publishing company, beginning in a week, according to his lawyer.

TRAVEL UPDATE

Air France's nine international flights from Orly Airport will be canceled Monday because of a strike by baggage handlers, airline said.

A strike by Italian train engineers canceled about one out of every three train runs Sunday just as many Italians and foreign tourists and students were traveling at the start of spring breaks and Easter holidays.

Competing with Hong Kong's overburdened airport, the airport in the adjacent southern Chinese city of Shenzhen plans to open its first direct international route this month, a state-run newspaper reported.

The cherry trees are blossoming in Tokyo, and Japanese by the hundreds of thousands are saluting the blossoms with raucous gatherings, boisterous songs and orgies of food and drink.

A German tourist died in Miami after being beaten and robbed while her young sons looked on, the police said.

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

- MONDAY: Hong Kong, South Korea, Macau, Taiwan.
TUESDAY: Ethiopia, Israel, South Africa, Sri Lanka, Taiwan, Thailand.
WEDNESDAY: El Salvador, Mozambique.
THURSDAY: Argentina, Brazil, Colombia, Costa Rica, Denmark, El Salvador, Guatemala, Honduras, Iceland, Mexico, Nicaragua, Norway, Paraguay, Peru, Philippines, Spain, Vatican City, Venezuela.
FRIDAY: Andorra, Argentina, Australia, Bahamas, Barbados, Belgium, Benin, Bolivia, Botswana, Brazil, Brunei, Chile, Colombia, Costa Rica, Denmark, Dominican Republic, Ecuador, El Salvador, Equatorial Guinea, Estonia, Finland, Gambia, Georgia, Germany, Ghana, Gibraltar, Greenland, Sweden, Switzerland, Taiwan, Tanzania, Tunisia, Uganda, Uruguay, Vatican City, Venezuela, Zambia, Zimbabwe.
SATURDAY: Australia, Botswana, Brazil, Chile, France, Guatemala, Hong Kong, Macau, Malawi, Mexico, Monaco, Panama, Spain, Uganda, Vatican City, Zambia, Zimbabwe.

Sources: J.P. Morgan, Reuters.

BEIRUT: City's Rebuilding Plan

(Continued from page 1) optimism," he said. "This is not just a crisis-management cabinet."

"It has real projects on its agenda," he added. "But people's expectations are too high. They want immediate services — now."

And some Lebanese suspect Mr. Hariri rather than believe in him. In the nearby parliament, in newspapers and on the city's 47 private television stations, Mr. Hariri, his \$4 billion fortune and suspicions that he is seeking profit from this venture all lead to criticism.

Mr. Hariri does not seem to care. "I know what Lebanon needs and I know how to do it, and I am sure I will make a difference," he said.

Information Minister Michel Samaha said: "This is a serious government. It needs realism and time, but it cannot perform miracles."

Mr. Hariri has not yet set his reconstruction program to parliament for approval, but he is already campaigning for the money to fund it.

An accord reached in Saudi Arabia in 1989 provided a basis for ending the warfare. But it ended neither the alliances of Lebanese groups with surrounding countries nor the internal disputes over sharing wealth and power.

Typically for a prime minister of a small nation, he said that he was seeking additional funds from foreign private investors and friendly governments, but that he was eager for wealthy expatriates to invest again.

Q&A: Prescription for Italy
Electoral Plan's Aim Is Strong Government

Italians will vote on April 18 whether to abolish their proportional electoral system for a "winner take all" plurality system, applying immediately only to the Senate.

Q. Will a plurality system help Italy in its current crisis of corruption in high places?

A. For years, Italy has been without a government, or rather, a government that could govern and a Parliament that could make decisions.

Q. Can the current Italian Parliament be considered legitimate given the resignations of ministers and the investigation of more than 150 members?

A. Juridically, the current Parliament is legitimate. Everything has changed so drastically in Italy in the past year that we should have elections as soon as possible, not for political reasons, but for political ones: not for legitimacy but for opportunity.

Q. How would you compare your movement with other new movements or parties in Italy, particularly the Northern League?

A. Obviously, this is a confusing political scene. Our movement is an alternative to the Northern League, which wants to destroy Italian unity; it is anti-state. We want to reform the state.

Q. Is a plurality system also necessary for Italy's participation in Europe, particularly since the weakness of the lira forced the country out of the European Monetary System?

A. Certainly. In recent years, we have had a European policy in words rather than deeds. The Italian Parliament almost unanimously approved the Maastricht treaty within a day. But we are in no condition to respect either the required balance

and the GNP and the public debt or the limits to the annual deficit as required by Maastricht. In truth, we are in no condition to enter Europe.

Q. What about the guarantees that many Italians are insisting for minorities if a plurality system is approved in the referendum?

A. Inevitably, a plurality system has less room for small parties. It is more a question of cost than guarantees.

In the Western world, many crises in democracy have led to a plurality system. We must remember, too, that Nazism was born amidst the chaos of the Weimar Republic. Fascism grew out of the chaos of Italy in the 1920s. The very existence of weak and divided governments threatens democracy, not the lack of guarantees for minorities.

Q. Will there really be a new ruling class capable of leading a revived country? Is there not a similarity to the former Communist countries with a governing class that had a monopoly not only on power but on expertise?

A. I hope not. Even if the political crisis worsens, there is a civilized society which is strong and sound. There has always been a vigorous cultural debate in this country. It is not like the ex-Communist countries, which forgot the meaning of debate. All the same, it is necessary to create a new political class and this is a difficult task. Italy has never been in as serious a situation since World War II and the end of the Fascist era.

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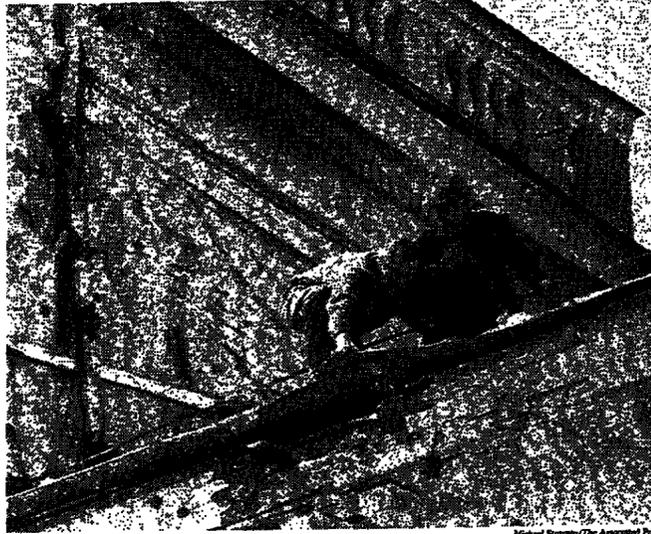
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Two men inspecting damage from Serbian artillery fire Sunday on the roof of a building in Sarajevo.

Force the Serbs, Bosnia Urges

'The Time for Talking Is Over,' Foreign Minister Says

By David B. Ottaway

SARAJEVO, Bosnia-Herzegovina — The Muslim-led Bosnian government called on the international community Sunday to step up pressure on its Serbian adversaries after the Serbs rejected the Vance-Owen peace plan and broke a week-old cease-fire by shelling the besieged Muslim town of Srebrenica.

"We have done what the international community said we ought to do," said the Bosnian foreign minister, Haris Silajdzic. "We signed the peace plan. Now it's up to the international community to do its bit."

As Lord Owen said, the time for talking is over," Mr. Silajdzic added, referring to the European Community's chief mediator on Bosnia.

The self-proclaimed parliament of the Serbian nationalists in Bosnia-Herzegovina rejected the peace plan proposed by Lord Owen and the UN mediator, Cyrus R. Vance.

The plan called for Bosnia to remain a sovereign state, but with 10 semi-autonomous provinces that would be controlled by one or another of the three main national

POLICY: The Call Was Easier for Candidate Clinton

(Continued from page 1) abundant, the agency said, that they are exporting arms to raise cash.

Also of concern was the effect on President Boris N. Yeltsin of Russia, who told the administration that tough action against the Serbs could further jeopardize his position with the Russian parliament.

During the presidential campaign, Mr. Clinton issued a statement that said: "If the Serbs persist in violating the terms of the current cease-fire agreement, the United States should take the lead in seeking UN Security Council authorization for air strikes against those who are attacking the relief effort."

Later, he said that Washington should be prepared to use force to free the prisoners held in Serbian detention camps.

At the time, in July, President George Bush was raising the issue

of Mr. Clinton's avoidance of the draft and his lukewarm support of the Gulf War, and asking whether his opponent had the steel to be commander in chief. In taking an assertive stance on Bosnia, Mr. Clinton fought back and used the Bush administration's inaction on the issue as evidence that Mr. Bush lacked the vision to lead the post-Cold War world.

The Clinton team began the presidential transition eager to reverse the Bush policy. Bosnia was the subject of Presidential Review Directive 1, the first issue on the White House's foreign policy agenda.

The issue was considered so important, it was sent directly to "the principals," a committee made up of Secretary of State Warren M. Christopher; Mr. Aspin; the CIA director, R. James Woolsey; Vice President Al Gore; General Powell; and Madeleine K. Albright, the chief UN representative.

The administration instructed the State Department and Pentagon to draw up the broadest possible list of options, but many were quickly discarded.

With Mr. Clinton elected on a platform of domestic change, "clearly he was not going to entertain the option of 'going in' in a major way," an official recalled. Furthermore, each proposed cure seemed to have side effects that were as bad as the disease — or worse.

At the administration's orders, the Pentagon drew up a list of possible bombing targets, including the artillery around Sarajevo, bridges between Bosnia and Serbia, and targets deep in Serbia. General Powell repeated his argument that bombing would not seriously hamper the Serbs' ability to wage war, convincing some senior officials.

Another possibility, adding American troops to the UN contingent delivering aid to Bosnia, was ruled out because it was open-ended.

Arming the Bosnians was more complicated. Mr. Clinton and most of his aides favored it, while others argued that no peace settlement would endure until the Muslims reclaimed a reasonable amount of territory and were able to protect themselves against Serbian efforts to drive them from their homes.

Britain and France, fearing Serbian retaliation, said they would pull their troops out of the UN operation in Bosnia if the arms embargo were lifted.

Europe's objections to arming

Bonn Fears New Leftist Violence

REUTERS BONN — Germany's leftist guerrillas still pose a violent threat that could bring more assassinations, Federal Prosecutor Alexander von Stahl said Sunday.

The underground Red Army Faction gained new attention last week after it blew up an unoccupied prison building near Frankfurt and demanded a release of leftist prisoners.

"The bombing proved that the RAF is as capable and willing as ever of planning and carrying out with precision the most serious crimes," Mr. von Stahl said in an interview with German radio.

The March 27 bombing of the newly constructed prison at Wei-

terstadt ended a two-year lull in attacks by the leftist group. Last year, it offered to forgo assassinations of West German leaders if its jailed members were freed. Bonn rejected the proposed deal.

Now, Mr. von Stahl said, the group might revert to a policy of targeted killings. He predicted that the group, in an effort to keep the sympathy of supporters and open the way for political discussions, would not act immediately.

Some former Red Army Faction guerrillas have been released from prison after renouncing violence, but many are still serving sentences of up to life for murder and armed robbery.

In a separate interview, Interior Minister Rudolf Seiters said leftist extremists were becoming increasingly violent in Germany, just as racist attacks by far-rightists and neo-Nazis were declining.

In an interview with Welt am Sonntag, Mr. Seiters said he feared an escalation of political extremism by leftists. He said the Federal Agency for the Protection of the Constitution had counted 1,000 acts of leftist violence last year, mostly attacks on rightists by anarchists in big West German cities and university towns.

The agency reported 2,450 bombings and other assaults by rightists last year including the killings of 17 people, 7 of them foreigners.

confirmed by the Turkish armed forces. Azerbaijan has asserted that a tenth of its territory is in enemy hands after the seizure by Armenian forces of the key western town of Kelbadzhar and a broad swath of territory adjoining Nagorno-Karabakh, trapping about 15,000 civilians.

Armenia denies that its regular troops are involved, saying the fighting is being conducted by "self-defense forces" from the mountainous enclave.

Seyran Bogdasaryan, the chairman of Armenia's parliamentary committee on Nagorno-Karabakh,

said in an interview with local reporters that Karabakh forces had begun the offensive because Azerbaijan was using Kelbadzhar as a base for shelling Armenian and Karabakh territory.

Ani Aliyev, press secretary to President Abulfaz Elchibey of Azerbaijan, released a statement on Sunday dismissing the Armenian version of events as "lying and cynical propaganda," Tass said.

"There are only a small amount of troops in the encircled region and they, together with the 15,000 civilians, are at real risk of being wiped out," Tass quoted the statement as saying.

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FIRST 100 DAYS / LOGJAM

★ POLITICAL NOTES ★

Who's Webster Hubbell? Janet Reno Knows

WASHINGTON — No one laughed when Attorney General Janet Reno, introducing President Bill Clinton's choice for associate attorney general, said: "One of the best things to happen to me in these past eight weeks was to find out who Webster Hubbell is."

But in fact, this was pretty funny. Mr. Hubbell, sec. is the mystery man of the Clinton administration, famous for being invisible. Who is Webster L. Hubbell? An ominous headline asked recently on the editorial page of *The Wall Street Journal*. When the *Journal* alleged further dark doings at the Justice Department, the headline read, Who Is Webster Hubbell? — T.

Now America has a chance to find out. As Mr. Clinton's pick for the No. 3 post at Justice, Mr. Hubbell will face a Senate confirmation hearing. The Judiciary Committee can ask Mr. Mysterious all the questions the *Journal* and others have been dying to pose.

Is Mr. Hubbell a tool of his former law partner, Hillary Rodham Clinton? Did he "broker" a meeting where political pressure caused the Justice Department to embarrass itself in the trial of Representative Harold E. Ford, Democrat of Tennessee? Did he engineer a mass firing of U.S. attorneys as a way of derailing the investigation of an Illinois Democrat, Dan Rostenkowski, chairman of the House Ways and Means Committee?

The man in question turns out to be a strange fit in the role of shadowy operative. Mr. Hubbell is an immense person, as befits the star offensive tackle of the University of Arkansas team that won the 1968 Sugar Bowl. He lumbers rather than slinks.

Like a lot of physically imposing men, he endeavors to appear unthreatening, speaking in a gentle near-whisper and smiling softly like a shy child. He earned stacks of money as managing partner of the Rose law firm in Little Rock, Arkansas, but wears ordinary suits with stray threads dangling from the sleeves.

"He's a gentle giant type of guy," said a columnist for the *Arkansas Times*, John Brummett, who is a frequent critic of Bill Clinton but a big fan of Webb Hubbell. "I can't imagine him as some strong-arm guy imposing some sort of strong-arm position on the Justice Department."

His critics have construed him as a man of silent chicanery, but around Little Rock he is known as the mayor who crusaded for open government, the civic leader who drafted the state's first lobbyist-disclosure law, and the lawyer who presided over the state bar association's ethics committee. (WFP)

Clinton Promises 'Balanced' Forest Policy

PORTLAND, Oregon — Mr. Clinton, after listening all day to intensely personal stories about the human costs of the bitter forest policy standoff in the Pacific Northwest, promised Friday that his administration would produce a "balanced and comprehensive and long-term" solution within 60 days.

At the forest conference, convened by the administration to hear from regional interests affected by the crisis, Mr. Clinton said he would direct an interagency group to adhere to a set of broad principles in crafting a solution that would protect forests and restore some certainty to a forest-products industry hobbled by court prohibitions on logging in habitat used by the threatened northern spotted owl.

He said the solution must be scientifically credible, must produce a stable and predictable timber harvest without degrading forest health and would offer long-term protection to forests, wildlife and waterways.

The new policy "must never forget the human and economic dimensions of these problems," Mr. Clinton said. He indicated that his administration would permit some logging of old-growth forests, but in areas where logging is inappropriate, Washington would offer workers "new economic opportunities." (WFP)

Quote/Unquote

Mr. Clinton at the Vancouver meeting with President Boris Yeltsin:

"What you will see building up over the next few weeks is a very significant effort by the G-7 and perhaps other countries as well to support a long-term process of development in Russia." (Reuters)

The White House Gambled Against a Filibuster, and Lost

By Ruth Marcus and Helen Dewar

Washington Post Service

WASHINGTON — President Bill Clinton's economic program was progressing nicely through Congress as the administration relied solely on Democrats to pass the plan, sweet-talking some, strong-arming others.

Then came the Republican filibuster. After two failed attempts to break the Senate logjam over Mr. Clinton's \$16.3 billion stimulus package, Senate leaders began negotiations on Saturday to try to resolve the impasse and salvage what is left of their spring break.

Did the administration miscalculate, underestimating Republicans' will to fight and to deploy the filibuster — the major strategic weapon left in the minority's arsenal? Or were the political realities such that the administration had little choice but to refuse to make the compromises that might have averted this moment and to gamble that it would never arrive?

Whether Mr. Clinton and company end up looking like brilliant tacticians or partisan clumps depends in part on how the

standoff ends. The stakes are high, because the resolution not only will determine the size and timing of the stimulus, but also will set a tone for battles to come over budget specifics and health care reform.

From the start, the administration's approach to selling its economic plan has been consciously partisan. Long before the plan was unveiled, Mr. Clinton ushered Democrats after Democrat to the White House for a bit of advance salesmanship; Republicans were relegated to a single session before the package was announced on Feb. 17.

After the announcement, the administration's emphasis was on maintaining party unity rather than picking off faltering Republicans. Starting with the House and then the Senate, the White House devoted all of its lobbying on the package to Democrats — although, as White House officials stung by criticism of that strategy point out, it sought to do favors for Republicans and reach out on other matters.

Until a few days ago, the rules had worked in the administration's favor as it sought to keep its troops in line.

In the House, the administration relied

on hardball tactics by the Democratic leadership, working through the Rules Committee, to forestall any serious revisions in the package.

In the Senate, Senator Robert C. Byrd, Democrat of West Virginia, a master of the rules, manipulated the floor procedures in such a way that he was able to prevent any significant change in the program. Republicans were able to have votes on their amendments, but Mr. Byrd set it up so that those votes could be wiped out in a final vote at the end — a tactic that the Senate minority leader, Bob Dole of Kansas, had used to push through Republican programs when they were in the Senate majority.

Then the administration confronted the filibuster, and the rules turned against it when all 43 Republicans signed a letter vowing to block the bill unless major changes were made. In the Senate, 60 votes are needed to end a filibuster — a tall order in a body composed of 57 Democrats, of whom one, Senator Richard C. Shelby of Alabama, has been feuding with the administration.

Under Senate rules, the budget resolu-

tion was not subject to a filibuster because of special rules that protect the budget from delaying tactics. But the stimulus measure, as an appropriations bill, could be filibustered — and it offered an appealing target.

From the moment of the election, Mr. Clinton had confronted questions about whether the additional spending was needed to invigorate an economy that appeared to be recovering on its own.

Several members of his own party, led by Representative Charles W. Stenholm of Texas and Senators Herbert H. Kohl of Wisconsin, David L. Boren of Oklahoma and John B. Breaux of Louisiana, wanted changes in the package, which includes money for unemployment insurance, summer jobs programs, highway construction, child immunization and community development block grants.

And Senate Republicans found what they considered juicy morsels of pork that they could use to attack the bill, and to fend off arguments that they were merely partisan agents of gridlock.

White House strategists saw the signals, knew the math and gambled on the tradi-

tion that appropriations measures are not normally the targets of filibusters.

"They decided to both construct and move an economic package whose appeal was limited to the Democratic caucus in the House and the Senate," said Thomas Mann of the Brookings Institution. "It was not an unreasonable choice, given the start of a new administration and the effort to define very clearly the Democratic Party and to build a coalition in the country for Clinton's program."

In addition, Mr. Mann said, "the administration's calculation of the Republicans allowing the program to go forward in the Senate, even though they'd vote against it, was not unreasonable."

"It really is quite unprecedented for a party to unify in total opposition to a president and to use a filibuster to deny a vote on his program at the beginning of a term," he said.

Senate Republicans say Mr. Clinton and the Democrats miscalculated the degree of Republican unity, even as they privately acknowledge being pleasantly surprised to find it so strong.



CALLING ON THE WHITE HOUSE FOR HELP ON AIDS — A Columbia University student in New York getting a signature on a petition protesting the plight of Haitians infected with the AIDS virus and being held at the U.S. Navy base in Guantanamo Bay, Cuba. A tent city was set up to call attention to the issue. Last week, 36 Haitians with full-fledged AIDS were allowed U.S. entry for treatment.

Away From Politics

• The NASA countdown is under way for the launching of the space shuttle *Discovery* on a mission to study earth's ozone layer. Lift-off of the 54th shuttle mission — and the second in a year devoted to atmospheric research — is set for 1:32 A.M. Tuesday from the Kennedy Space Center on Florida's east coast.

• Lawyers should not resort to "Rambo-style tactics" to win cases, said Justice Sandra Day O'Connor of the U.S. Supreme Court, adding that confrontational tactics were contributing to a decline in professionalism and to public dissatisfaction with the legal system. She told an audience at Wake Forest University in Winston-Salem, North Carolina, that "it's better to use our energy working on a case rather than working over an opponent."

• A five-day strike at the University of Cincinnati ended after negotiators for the university and striking faculty members reached a tentative agreement Saturday on a three-year contract. No date was set for a ratification vote. About 35 percent of classes were canceled each day, the university said.

• Illegal sales of sturgeon eggs from Columbia River sturgeon were the subject of charges in a Seattle court against three men and a New Jersey caviar company. The defendants were accused of making at least 67 illegal shipments of sturgeon roe, totaling 3,200 pounds, from October 1985 to December 1990. The annual legal harvest of sturgeon roe in Washington averages about 650 pounds.

• When a circus grandstand collapsed during a performance of the German National Circus at Brook Park, Ohio, at least 47 people were injured. Most suffered cuts, bruises and broken bones, hospital officials said. Ten were hospitalized, all in stable condition.

• Joseph Meiling, who was accused of lacing Subalded decongestant capsules with cyanide to kill his wife and collect her \$700,000 insurance policy, was found guilty on 11 charges in Seattle of murdering two people. The two victims died in 1991 after buying the tainted capsules in local stores, but Mr. Meiling's wife, Jennifer, survived and testified on his behalf.

• A man accused of a series of crimes in the 11 days since he walked away from prison was arrested in a bar in Martinsburg, West Virginia. The police said the man, Randy Eugene McBee, 38, of Berkeley Springs, was arrested by state policemen.

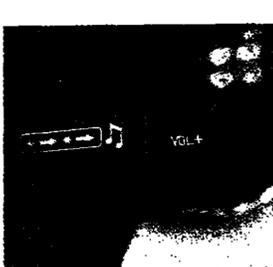
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Migrants by the Millions

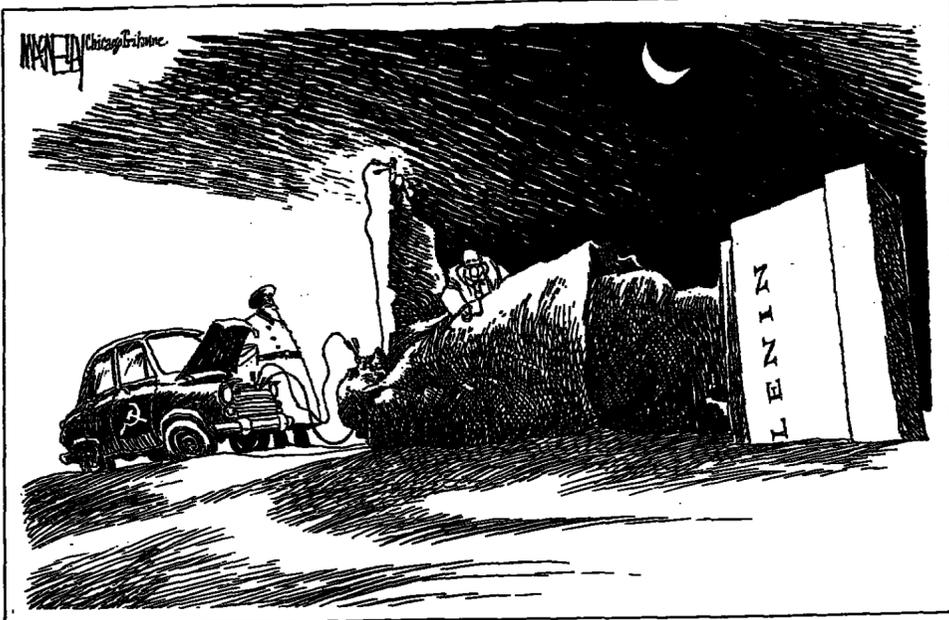
Sweden is increasingly concerned by the flow of refugees across its eastern borders. Russian refugees? No, these people are mostly Kurds and Somalis desperate to get out of their embattled homelands in the Middle East and Africa, hoping to make their way into Western Europe via a roundabout route through Russia made possible by the wonders of air transport.

Buy Russian Exports

Bill Clinton, in a speech last week to newspaper editors, laid out sound reasons for America to aid Russia. Aid, especially if targeted to benefit ordinary Russians, could help move reform forward. And an economically prosperous and democratic Russia would open an era of international cooperation, generate trade opportunities and, by paying the way for steep defense cuts, free billions for civilian investment.

The Commander in Chief

Among the American military's many honorable traditions, the finest is its devotion to democratic civilian control. Despite the many reports of tension between President Bill Clinton and the armed forces, we do not believe that this principle is in any danger. But things are not as they should be between the military and the president.



Clinton on Russia: An Investment in Good Sense

By Leslie H. Gelb

NEW YORK — Not so long ago, Boris Yeltsin was Communist Party boss in Sverdlovsk and Bill Clinton was governor of Arkansas. Both country pols have made good, the backslapping Russian bear and the bear-hugging American. Now they have been binding their fortunes and futures in Vancouver, the Russian plotting to survive and the American to succeed in a place apparently much closer to Washington than to Moscow — and at a price, it is no longer fitting to call a summit.

Yeltsin: Like Washington, Unlike Havel or Walesa

By Bruce A. Ackerman

NEW HAVEN, Connecticut — The Constitutional Convention in Philadelphia was faced with a fundamental problem. In 1787, America already had a constitution: the Articles of Confederation of 1781, which required the unanimous consent of all 13 states to any amendment.

The Test of Reality Doomed Marxist Doublethink

By William Pfaff

PARIS — The connection of totalitarianism to bureaucracy has been an enormous gift to those who wish to understand the strange but characteristic events of a recent and terrible past, from which the civilized world struggles to free itself.

Bashing In Bosnia Isn't On

By Richard Cohen

WASHINGTON — Pat Truly, a columnist and editorial writer for the Fort Worth Star-Telegram, has asked a good question: "What if, suddenly and unannounced, U.S. fighter jets swooped down over a Bosnian mountain and blew the hell out of some Serbian artillery position?"

Having put the question to his readers, Mr. Truly then offers the suggestion that it be either done or threatened. "Sometimes the first step in diplomacy, as it is when training a mule, is to gain the subject's attention with a 2-by-4 across the nose."

Mr. Truly's question-and-answer assumes an efficacy for air power that experience does not justify. The Gulf War was in large part conducted from the air, but otherwise troops had to go in. In other words, the persistent bombing of Iraq, as damaging as it was, did not bring Saddam Hussein to his senses. Nor did it cause the bulk of his people to rebel.

In fact, studies done about bombing campaigns suggest that while, for sure, they do damage, they also solidify the civilian population. The Germans found this out in World War II when they bombed Britain. The allies, having learned little from that experience, retaliated with the most horrific bombing of German cities, including the near annihilation of Dresden and Hamburg. Germans surrendered only when allied troops got to Berlin. As for North Vietnam, it not only was never bombed into submission, it won its war against the United States.

It is not enough to condemn what the Serbs have done in Bosnia. It is also important to understand their behavior. They are not mere adventurers, but committed nationalists who feel, however wrongly, that their continued existence as a Bosnian minority was threatened when that onetime Yugoslav republic declared its independence. They are a people immersed in their own history, both recent and ancient, and it is a bloody one indeed.

There is scant reason to believe that a bomb here or there is going to deter them. In fact, the economic embargo of Serbia itself has not only not brought it to its knees, it has spurred up the regime and produced political forces even more extreme than the ones currently in power.

Great powers cannot afford to bluff. If America threatens violence, it must be prepared to follow through. And once it does that, it must be prepared to put the ante — what in Vietnam was called escalation. Ultimately, the United States might have to put troops in, but even that, unfortunately, would not settle matters. The long Balkan tribalism for more than four decades. When he died and the regime relaxed its totalitarian grip, the old laws came to the surface.

The complexities of the Bosnian situation — even the fundamental issue of whether an independent Bosnia could ever have been a viable state — explain why the Bush and Clinton administrations have shied from intervening. They, like Mr. Truly, asked good questions. Unfortunately, the answers are all bad.

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: French Ministry

PARIS — M. Dupuy has succeeded in forming a Ministry. The press is hostile. It is certainly singular to find in the same combination a Radical like M. Peytral and a Moderate Republican like M. Poincaré, who is only 33 years of age. This Ministry which may be called upon to conduct the destinies of France through a most stormy period, assuredly contains too many illustrious nonentities.

1918: German Losses

PARIS — Resuming their deplorable offensive yesterday [April 4] the Germans again sustained fearful losses for the gain of a few hundred yards.

The attacks broke from the Somme to the region north of Montdidier, and though huge masses of men were sent forward recklessly, at no point could the enemy succeed in breaking through the lines firmly held by the French and British forces. The French communist reports a slight retreat south of Moreuil.

1943: American Air Raid

AN AMERICAN FLYING Fortress Base, somewhere in England — [From our New York edition.] A formation of flying fortresses staged the first American raid on Paris early this afternoon [April 4] and in one of the deadliest bombing efforts of the war left the Renault motor works blazing from end to end. In a broadcast address soon after the raid Marshal Philippe Petain, Vichy Chief of State, for the first time assailed the Americans by name, saying they and the British were making "unjustifiable" air attacks on objectives in France.

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VANCOUVER SUMMIT / HAIRCUTS AND PATHWAYS



Presidents Clinton and Yeltsin in Vancouver on their first walk in the woods, a staple of summit meetings. The White House advance team made sure they knew their way.

Getting the Upper Hand, Subtly Much Ado About Silver Manes and Overcoats

By Maureen Dowd
New York Times Service
VANCOUVER, British Columbia — It could have been a really bad hair day.
With the summit meeting beginning on a dreary, rainy note, everyone here was on tenterhooks to see how two of the world's most celebrated silver and unruly manes would fare.
Impressively, as it turned out, on both the American and Russian sides.
Despite the drizzle, both Boris N. Yeltsin and Bill Clinton arrived at the airport and faced the cameras with freshly cut and carefully coiffed dos.
"He got a good haircut this time," Dee Dee Myers, the president's press secretary, said approvingly. "He went back to his old barber when he was in Little Rock last week."
With arms control no longer dominating the agenda and with Moscow clearly in a subordinate position, the perennial semantic summit issue of "who blinks first"

— the jockeying of each leader to look strong and in control — played out in more subtle ways.
Mr. Yeltsin made the first bravura move at the airport when he waved away an aide who tried to give him an umbrella as he stood on a small riser, listening to the Canadian and Russian national anthems. The Canadian prime minister, Brian Mulrooney, and his wife, Mila, stood sensibly huddling under their large black umbrella.
But Mr. Clinton matched and raised the burly Russian leader upon his arrival a couple of hours later. When he landed in the mist, he did not even wear a topcoat to ward off the damp and cold. (Mr. and Mrs. Mulrooney were still under their umbrella.)
But Boris Yeltsin is very quick on his feet. When the two presidents posed in front of MacKenzie House at the University of British Columbia, Mr. Yeltsin had shed the charcoal overcoat in which he had met the press earlier.
"Will you get what you came for?" Mr. Yeltsin replied, "Nicht verstaen," German for "I don't understand."
Mr. Clinton looked surprised

and smiled and said, "I understand that."
There had been exhaustive preparations by White House advance men for the traditional summit walk in the woods.
Before their first session, Mr. Clinton and Mr. Yeltsin were slated to walk from the Spanish colonial-style MacKenzie House through the tall cedars to a nearby museum on campus.
But there was not a proper path. So the folks from the White House laid down a bunch of wood chips. But first the advance team worried that the path was too serpentine and the two leaders might wander off of it and get lost in the woods like Hansel and Gretel. And then the White House advance team began worrying about whether Mr. Clinton, who is allergic to most things, was allergic to wood chips.
And there was also the delicate matter of the snail.
"It smelled like sweet cow manure, if you can imagine such a thing," said a White House advance man, wrinkling his nose.
But in the end, the rain helped dampen the aroma and the advance team put up little ribbons to delineate the path, and the two men were able to have their walk in the wood chips, after all.

Q&A: Talks Are One Step in a Global Agenda

Jacques Attali, as president of the European Bank for Reconstruction and Development in London, is deeply involved in the effort to salvage the economy of Russia and the rest of Eastern Europe. He spoke with Tom Redburn of the International Herald Tribune.

Q. The summit meeting between Presidents Yeltsin and Clinton is taking place in the midst of the power struggle in Moscow. Is it in the West's interest to be so closely identified with Mr. Yeltsin's fate?

A. Certainly not with Mr. Yeltsin as a person. But with Mr. Yeltsin as the democratically elected president of the country, yes. We should stress and stress again that we do not give money to an individual, but we cooperate with a country in its move toward more reform and more unity. As he embodies, for the moment, both symbols, it is important to assist him.

Q. Following the meeting, what should be the agenda for the Group of Seven industrial powers and Western lending institutions?

A. Apart from bilateral assistance, what is urgent, I believe, are the following five items:

One: Debt relief. Two: Trade openness of the West to Russian products. Three:

The creation of a small and medium sized enterprise fund to provide venture capital for new companies. Four: A new program of technical assistance to help create an infrastructure of tax collection and the like. Five: A program of privatization and development in agribusiness and oil and gas.

Q. So what do you see as the most important signal that should come from the summit meeting?

A. What is important is that it be seen as simply one step in a global agenda. You will have the G-7 meeting the 14th of April in Tokyo. And then the European Bank meeting the day after the Russian referendum. It has to be the starting point of three weeks of coordination and new programs.

Q. What do you think the Russians need to do now to deal with their economic problems, particularly the risk of hyperinflation?

A. First and above all, to create a tax base and have a proper system for tax collection. Second, to decide who is in charge of what in the government. For the moment, the government is doing what the central bank is supposed to do. The central bank, as well as the parliament, is doing what the government is supposed to do.

No one is playing his proper role. Our investment projects are going ahead where they make sense. But the International Monetary Fund is right to insist on the creation of a sound macroeconomics program so that its money is not wasted.

Q. Why has such a backlash against Western aid developed in Russia?

A. The West has not really provided a lot of visible help. People in Russia then say we are just talking and not providing enough. The \$24 billion doesn't exist as a real package. And we should not talk about "aid" as such because aid is humiliating. We should talk about cooperation because it should be a give and take.

Q. You mentioned trade. Aren't the European Community and the United States undermining whatever value there might be in aid by making it so difficult for Russia to sell its products to the West?

A. That's true, and it's a pity. You cannot ask people to invest in Russia if you do not allow them to sell the products they make. We cannot privatize companies and offer prospects for the future if we do not allow them to export.

Q. What would be the consequences for the West if Mr. Yeltsin were to fall from power?

A. Well, if he were replaced democrati-

cally, I don't see any serious adverse consequences. The danger, if the whole democratic program failed, is that we could see a split of Russia, with its 12,000 nuclear warheads.

Q. Is the rest of Eastern Europe in danger of being neglected in the intense focus on Russia?

A. Definitely not. It is not a zero-sum game. If Russia develops, it would be very good for Eastern Europe by re-creating markets for their own products.

Q. What do you see as your organization's principal accomplishments in its first two years?

A. We have already committed almost \$10 billion in projects, of which \$2 billion came directly from us. We have organized more than 250 programs of assistance to support future projects. We have created the nuclear safety fund for nuclear power plants in Eastern Europe. And we plan to double all this in 1993.

Q. Have you noticed any change in attitude from Washington toward the bank since the Clinton administration took over?

A. It is very positive approach. I do not comment on what it was in the past.

Russian Official Predicts Chaos if Hard-Liners Win

By Reuters
VANCOUVER, Canada — Foreign Minister Andrei V. Kozyrev of Russia predicted Sunday that there would be "chaos and disintegration" for his country if President Boris N. Yeltsin was removed from power.

Mr. Kozyrev said in a television interview that if the Russian leader's conservative enemies took power they would try to restore the Soviet Union, "which is impossible."

Such an attempt, he said, would fail, but it would "cost dearly to Russia and probably to the outside world, and the most probable outcome after a short period of dictatorship will be just chaos and disintegration of the country."

Along with Mr. Yeltsin, Mr. Kozyrev is a principal target of criticism.

Mr. Kozyrev said it was hard to predict the outcome of a referendum called in Russia for April 25 as a vote of confidence on Mr. Yeltsin, but said the president had received a warm reception in the city of Magadan, where he stopped on his way to the summit meeting.

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WASHINGTON & WORLD BUSINESS

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Herald Tribune

Hazards Abound for Russia's Leader

By Serge Schmemmann
New York Times Service

VANCOUVER, British Columbia—No Russian or Soviet president has ever traveled abroad watching his back quite as anxiously as President Boris N. Yeltsin must in Vancouver.

Mr. Yeltsin gave a measure of the danger he faced when he acknowledged that even overly generous Western aid could be a weapon against him in the vicious political struggle back home.

"You see, too much is not very good either," the Russian leader said when asked how much aid he was seeking. "Too little is not very

good. Too much also could be bad, because it can be used by Communists to target us. The opposition will say we are shackled by the West."

The comment followed a stinging attack on his visit by Russian I. Khasbulatov, the speaker of the hostile legislature and Mr. Yeltsin's bitterest opponent. Meeting with Western diplomats in Moscow, Mr. Khasbulatov complained that their capitals were "rusting too fast to support the ill-conceived steps of one political side in Russia."

If Mr. Yeltsin's actions result in bloodshed, Mr. Khasbulatov warned, "then a share of the re-

sponsibility will rest on Western countries."

The very notion of criticizing a leader, much less discussing the possibility of civil war, while he is on an international mission would have been unthinkable before in a nation that has always put great importance on maintaining a bold and unified face abroad.

Mr. Yeltsin himself was dismissed from the Communist leadership in 1987 in part because he publicly criticized Mikhail S. Gorbachev on the eve of a U.S.-Soviet summit meeting.

This time, even Mr. Yeltsin's

prime minister, Viktor S. Chernomyrdin, undermined his president's mission a bit by publicly declaring that he found foreign aid degrading.

"What they tried to do, this humanitarian stuff, it's humiliating, though it's not meant that way," he said in a broadcast interview. "We have to thank them for it. But I, for one, feel humiliated in that sense."

Other symptoms of Mr. Yeltsin's plight were less public, but no less telling. All three "power ministers"—those of Defense, Security and the Interior—showed up at the Moscow airport on Friday to see Mr. Yeltsin off, along with Vice President Alexander V. Rutskoi, in what was evidently a demonstration of support.

Russian officials privately acknowledged that Mr. Yeltsin had decided to leave Defense Minister Pavel S. Grachev in Moscow, leading President Bill Clinton to leave Defense Secretary Les Aspin behind.

Mr. Yeltsin also felt compelled to reassure his countrymen on departure. "I have a telephone, and I will run the country myself," he told reporters before boarding his plane. "Be assured the nuclear button is in safe hands. I am not abandoning the controls."

Officials also privately reported that Mr. Yeltsin would impart his most personal thoughts to Mr. Clinton on a walk outdoors, to preclude the leaking of a transcript to his opposition, as happened after his meeting with President George Bush in January.

The Russian president's delegation in Vancouver also reflected Russia's financial crunch and the political turmoil at home.

Only a handful of Russian reporters were in evidence, and the Tass news complained bitterly that they had been denied electronic communications gear. For the most part, the size reflected the shortage of hard currency.

But the absence of Pravda, which as the Communist Party daily used to be a major presence at all U.S.-Soviet summit conferences, was interpreted as an ideological boycott. The paper wrote Saturday: "One has to admit, although it is painful, that the summit is a stillborn diplomatic child."

Mr. Yeltsin's immediate team included Foreign Minister Andrei V. Kozyrev; Alexander N. Shokhin, the deputy prime minister charged with social policy, who has been conducting economic negotiations in Paris; and Boris G. Fyodorov, the deputy prime minister responsible for economic policy.

The man most closely advising Mr. Yeltsin at this meeting is Dmitri Ryurikov, his adviser on foreign affairs, who is said to be slated for a senior government position.

AID: Leaders Underplay the Summit for All It's Worth

(Continued from page 1)

dent Clinton agreed on a series of American initiatives to aid Russia.

Even the local Vancouver newspapers looked at the summit meeting more as a business convention than something that might affect global stability. The daily summit newsletter passed out to all the hotels in town led with the story: "Is there life after the summit for Vancouver's business community, once the two days of attention and excitement are over? Experience says yes. Tourism officials estimate that Vancouver received more than \$70 million in free advertising

worldwide during the buildup to the summit."

But Mr. Clinton also had his reasons for wanting to keep this meeting, and talk of U.S. aid for Russia, relatively muted. Americans generally like to see their president out leading the free world, but they are not crazy about seeing their president doing out foreign aid, especially in this season of budgetary cutbacks at home. Mr. Clinton has been reading the polls, which are universally negative about lavishing foreign aid on Russia.

Mr. Clinton walked a delicate verbal tightrope over the weekend, warning his \$1.6 billion aid pack-

age for Mr. Yeltsin to look like a lot in the eyes of his Russian supporters, a little in the eyes of his Russian opponents, a lot in the eyes of America's Western allies, but not too much in the eyes of American voters.

"Both of them needed to low-key this thing," said the former U.S. ambassador to Moscow, Robert S. Strauss. "For Clinton it was wise, and for Yeltsin it was wise. Yeltsin could not afford to look like he came running with a tin cup, because he has nothing going for him at home. For Clinton, the duller the better because he has got to go home and worry about Congress."

SUMMIT: Clinton Offers 'Partnership' With Russia

(Continued from page 1)

they put it, would show quick results.

Of the \$1.6 billion, about \$700 million is in the form of grants and the remaining \$900 million in credits for grain and for guaranteeing private investment.

In addition to the U.S. aid package, Mr. Yeltsin apparently now renewed assurances that Russia could widely sell military equipment abroad, a source of much-needed hard currency.

Michael Mandelbaum, an expert on Russia who has been an adviser to Mr. Clinton for more than a year, described the summit meeting as only the beginning of a long process of engagement between the West and reformers in Russia and the other newly independent states of the former Soviet Union.

Even more important for Mr. Yeltsin, Mr. Mandelbaum said, would be two meetings in Tokyo: a gathering April 14 and 15 of the finance and foreign ministers of the Group of Seven industrialized democracies and the July meeting of the G-7 heads of state. Among the

major goals of these meetings, U.S. aides say, is a multibillion-dollar fund to stabilize the ruble.

A major remaining hurdle, according to Lloyd Bentsen, the U.S. treasury secretary, is the Russian Central Bank, which is not yet under Mr. Yeltsin's control and whose monetary policy is viewed as the source of inflation approaching 1 percent a day. But some Clinton aides suggested that Mr. Yeltsin may be making progress in his political battle for control of the bank.

Further, aides said Mr. Clinton planned to announce in coming days a second package of U.S. assistance after conferring with members of Congress.

U.S. officials are hopeful that, in addition to a G-7 package, European allies and Japan will announce their own aid packages for Russia before the April 25 referendum on Mr. Yeltsin's rule and the future of market reforms there.

After speaking by phone with Prime Minister Kiichi Miyazawa on Friday, Mr. Clinton hinted that Japan was prepared to pledge assis-

tance to Moscow. And Mr. Stephanopoulos said nations beyond the G-7 might be persuaded to chip in, Saudi Arabia and Kuwait have been mentioned, for example.

The initial \$1.6 billion U.S. aid program, whose outlines emerged in recent days, includes:

- A \$50 million "enterprise fund" to encourage the creation of small businesses in Russia.
- A "democracy corps" composed of a pair of Americans who can impart business and technical skills to Russians.
- Materiel and expertise needed to repair an oil pipeline system so that Russia can earn badly needed hard currency.
- A \$95 million "privatization fund" to train bankers and take other steps that will help Russia sell its assets.
- About \$700 million in agricultural credits for the purchase of grain on easy terms.
- Renewed efforts, valued at \$215 million, to dismantle nuclear weapons.
- Shipments of \$25 million of medical supplies.

AMERICAN TOPICS

Blacks Still Harried At Many Restaurants

Three decades after the lunch-counter sit-ins that launched the U.S. civil rights movement, blacks still can't be confident of dining out as casually as whites, the Los Angeles Times reports.

These days, the bias is generally more subtle, say civil rights attorneys, sociologists and black restaurant patrons — or would-be patrons. They talk of special cover charges, of being forced to pre-pay for food, of waiting in line while whites are ushered ahead, of being refused advertised specials.

"I see more direct evidence of discrimination now than in the late '70s," said Barry Goldstein, a civil rights attorney with an Oakland, California, law firm that is handling a lawsuit accusing the Denny's restaurant chain of discriminatory practices.

He cites three reasons: racism is now mixed with fear of urban criminals. The recession has fueled a backlash against affirmative action programs in the workplace. And a growing black

Short Takes

A research seismologist has devised a new way of measuring the size of earthquakes that is quicker and simpler than current methods, according to the Lawrence Livermore National Laboratory near San Francisco. Under the present system, data is gathered from dozens of seismograph stations and averaged out to establish a Richter scale reading of the magnitude of an earthquake. This usually takes 15 minutes or longer, and estimates can change as new figures arrive while the public and the media are clamoring for instant details.

The new method, developed by Kevin Mayeda, needs data from just one station. Instead of analyzing the quake's main shock wave, he focuses on the pattern of waves that follow it. The technique also could be used to measure underground nuclear tests. Mr. Mayeda says he thinks his method could be used to distinguish between earthquakes and nuclear tests.

ISRAEL: Tighter Borders

(Continued from page 1)

weeklong Passover holiday, which begins Monday night. His remarks to the cabinet about future employment prospects for Palestinians suggest that he has in mind a separation that in many day-to-day respects may amount to a divorce.

In practical terms, the closing means that since Tuesday army roadblocks have kept the 1.8 million Palestinians in the territories from reaching job sites, schools and hospitals in Israel, even the Arab sections of East Jerusalem.

While the prime minister says he has to worry about making Israelis feel secure, Palestinian leaders protest that the action has turned the territories into "a massive collective prison," punishing everyone for violence committed by a few.

It is not the first time that the West Bank and, even more so, Gaza have been sealed off, the longest period being for six weeks during the Gulf War in early 1991. After the war, the number of Palestinians permitted to work inside Israel dropped by about 30 percent, to an estimated 100,000 to 120,000 people a day, most of them as laborers. Their wages are critical to the territories, accounting for one-third of their economy, whose value has been put by Israeli officials at \$3 billion a year.

The employment shift that Mr. Rabin seeks may not be easy. Palestinians fill low-paying, back-breaking jobs in fields such as agriculture and construction that Israelis simply refuse to do despite 11 percent unemployment.

Among recent immigrants from the former Soviet Union the jobless rate is three times as high. Yet not even they are flocking to fill jobs that have gone begging since last week. Some Israeli farmers have spoken scornfully in the press about these immigrants and other Jews, saying they work neither as long nor as hard as Arabs.

As a sign of the difficulties, Israel slightly eased the closing Sunday, allowing in 1,200 Palestinian workers to pick flowers and perform other emergency farm labor.

CARS: Two-Auto U.S. Family Now Using Four or Five

(Continued from page 1)

them just park their extra cars on the street out front," he said.

The region's growing influence helped fuel the current car boom. So did the dramatic changes in lifestyle that continued in the last decade, including children living at home longer and more women entering the work force.

Jean Hodges and her family are typical. One of the two Chevys is used for travel between appointments as an IBM repairman for mainframe computers. Mom, a substitute teacher, drives the Ford Aerostar van to her part-time assignments. When she is not working, she uses the van to run errands and attend meetings.

The family's younger daughter, who competes in track year-round, uses the other Citation to get to and from high school — the school bus leaves too early in the afternoon to allow her to participate in after-school activities. She then sets off for her part-time job. The family's older daughter has taken the Mercury Capri with her to Purdue University in Lafayette, Indiana.

"Once I would have said having four cars is a luxury," said Mrs. Hodges, 48. "But this is just bread-and-butter transportation for us."

Cindy Schmaer, 42, said she, too,

had always considered anything more than two cars just an indulgence, until the stress of juggling her job with her children's schedules and transportation needs grew too great.

"I always used to say I would never get my kids another telephone or a third car — I thought it was the wrong way to raise a child," she said. "And now, well, we have both."

Mrs. Schmaer, like many parents, requires that her daughter help pay the car insurance bill and other costs. "I also told her that in no way is she to consider this her car," Mrs. Schmaer said. "It's the family's car."

Arthur Higbee

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In Ban Klong Sat, Thailand, we involve the Venerable Papaso Bhikkhu, seventy-three year old chief Buddhist monk.

This isn't just expediency, it's how WWF believes conservation projects should be run. Before you teach someone, we believe you have to learn from them.

We spend years visiting village after village, talking to the people, listening to them, living with them, understanding how they live their lives.

Only then are we able to gain the confidence of the village elders.

Once they realize we're on their side, our elderly converts promote conservation with a zeal that belies their years.

"Uncle" Prom (68), another of our Thai community leaders, tells us that he frequently gets scolded when he starts telling people in the market that they should leave the forests alone. But he gets results.

Uncle Prom and his fellow villagers recently managed to prevent a new logging concession, and set up a community forest where tree felling is now forbidden.

Ninety-three year old Chief Hamusunde also makes things happen.

Income from the Kafu Flats game reserve in Zambia is funding a school, a clinic and new water boreholes for the local villages.

In Madagascar, seventy-eight year old Chief Bakary's village makes a profit by selling fruit grown in their new tree nurseries.

More importantly, Chief Bakary's village now takes fewer trees from the rainforest because the nurseries can provide firewood and poles for construction.

Not that we don't believe in ending them while they're young. WWF also organizes special training courses to help teachers meet parents, conservation into the curriculum. 20,000 primary teachers in Madagascar have already taken part.

And WWF produces teaching aids as well as teachers.

We commission educational fact sheets, booklets, posters and videos in over twenty different languages. These are distributed to schools and colleges all over the world. If you can help our work with a donation or a legacy please write to the membership officer at the address opposite.

You only have to look around you to see that the world still has in awful lot to learn about conservation.

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Schoolboy's Brutal Death Haunts Japan

By David E. Sanger
New York Times Service

SHINJO, Japan — This much is known about the last few hours of Yuhel Kodama's life at his junior high school in this small farming town in northern Japan: Once again, he was being bullied by a jeering crowd of his classmates, this time shoved around the giant school gym as dozens of other students watched.

Apart from his tormentors, and perhaps some witnesses who appear to have been scared into silence, no one yet knows for certain what happened in the ensuing hours. But around 8 P.M. a teacher found the 13-year-old boy suffocated to death in a closet, where he had been stuffed upside down into the center of a rolled-up gym mat. Days later, three of his classmates were arrested and four others taken into custody.

For weeks now, Yuhel's death on Jan. 13 has prompted headlines as an extreme instance of what educators say is the plague of Japan's schools: *jijime*, or the bullying of students who never quite fit in. Students say bullying takes many forms, from beatings on the school grounds to exclusion from the group — a special form of torture in a society that emphasizes group participation — to the ruining of uniforms that the school requires every student to wear daily in pristine condition.

By urban American standards, school violence hardly seems at a crisis level here. But to the Japanese, the failure of nearly a decade of efforts to contain bullying reveals a darker side of one of the world's most admired education systems, something rarely discussed when visitors come to inquire how the country produces sky-high math scores and workaholic students.

Even Prime Minister Kiichi Miyazawa told the legislature that Yuhel Kodama's death was "the tip of the iceberg," another disturbing symptom of the pressure-cooker atmosphere of the Japanese schools, an environment that often leads students to vent their anxieties on their classmates.

But here in Shinjo, bullying is something that few will discuss these days in public. Rather than seize on the death as a moment to search the national soul, as the people of Liverpool, England, did when two 10-year-olds were recently charged with the killing of a small child, the town has closed ranks. Some say this reflects how schools also deal with the problem.

Though Japan's public schools have been widely credited for their rigor and discipline, hardly a month goes by without some horror story seeping into the press. Students skip weeks of classes or, in a few cases, commit suicide rather than face bullies. In Hokkaido, Japan's northernmost island, a young girl set her arm on fire in what she said was a protest of her school's refusal to pay attention to how she and others were being bullied.

The issue of bullying has become urgent enough that Japan's Health and Welfare Ministry announced in February that it planned to hire 14,000 adult "advisers" around the country to keep in closer contact with schoolchildren facing problems, including bullying. But few think such measures will make much difference.

"Bullying is a fascinating thing for the Japanese, because the victims are often the wealthier, the brighter, or kids who came back from abroad," said Thomas P. Rohlen, a professor at Stanford University and author of "Japan's High Schools," a 1984 study of Japanese public education.

"This is embarrassing for Japan," he said, "because the country is trying so hard to evolve away from the group-action stereotype, and this is evidence the old ways of Japan are at work."

Though scores of students apparently saw the start of the incident that led to Yuhel's death, only one witness has stepped forward, and the police chief, Takehito Kobayashi, said recently that he suspected "some conspiracy to cover up the crime."

ents warning their children to say nothing about what they saw, for fear they will become suspects and ruin their chances to get into the right schools.

People here have even begun to suggest that the frail victim might bear partial responsibility for his death for failing to be part of the group — because he spoke standard Japanese instead of the local dialect, because he was born into a comparatively wealthy family and because he stood out in schools that demand conformity.

"They had lived here only 17 years," said Masato Nakamura, a reporter for a regional newspaper here. "The father had studied in Tokyo, and that set him apart."

His schoolmates suggest that jealousy was at work. "People were envious of him," said Tomomi Nakayama, a 14-year-old girl who remembered occasionally seeing Yuhel and his father, who runs a private kindergarten nearby, bicycle through the neighborhood. "His father and mother were gentle, and his house was very huge."

A mother dropping by the school, who declined to give her name, said that although she felt sorry for Yuhel, "there must have been some reason for this."

Now, she said, the town should focus its sympathies on the seven boys implicated in the death, because "they have their own futures to consider."

Officially, the government insists that bullying is diminishing. In 1985, the Education Ministry recorded nearly 22,000 cases of bullying and issued an "administrative guidance" to school principals, telling them to enact plans to prevent bullying.

Reported cases of bullying plummeted to about 7,300 in 1991, the last year for which there are statistics available. But almost no one believes the numbers. Students and teachers alike say the schools, under pressure to show that they are attacking the problem, are simply hushing up all but the most egregious cases. Even the Education Ministry, which compiles the figures, has its doubts.

"We think that although the figures are down, they may not be declining that much," conceded Yasuo Kawakami, the director of the lower secondary school division for the ministry. Others, citing largely anecdotal evidence, insist that the figures are actually rising.

"Why bullying is still happening is a difficult question to answer," Mr. Kawakami said. Nonetheless, he turns to the explanation most educators offer: "Because of the growing stress of entrance exams, and because Japanese children these days are much more spoiled, these emotions spill out."



MAXIMUM SECURITY — Abimael Guzman Reynoso, mastermind of the Shining Path guerrilla movement in Peru, being moved in a cage over the weekend from an island prison to a specially constructed underground cell on a naval base in Callao.

3 'Cold-Blooded' Killings in Cambodia

Compiled by Our Staff From Dispatches
PHNOM PENH — Three United Nations peacekeepers killed by Khmer Rouge guerrillas were victims of what appeared to be cold-blooded executions, a UN spokesman said Sunday.

In Phnom Penh, Prime Minister Hun Sen proposed at a meeting of the Supreme National Council that the Khmer Rouge leader, Khieu Samphan, be tried for genocide for ordering massacres of ethnic Vietnamese civilians.

Yasushi Akashi, head of the UN peacekeeping operation, told the same meeting — which Mr. Khieu Samphan attended — that about 100 people had been killed in ethnic and political attacks in the last month. They included members of his force.

plans to withdraw from the UN mission. The three peacekeepers, all Bulgarians, were killed in the southern province of Kompong Speu on Friday after their attackers had been invited to dinner at their base, according to Eric Falt, a UN spokesman.

"The group was attacked in what appears to be a cold-blooded execution," he said. He said the Khmer Rouge used automatic weapons and grenades.

"It is clear that the three Bulgarian peacekeepers died while attempting to engage in peaceful dialogue with men who turned on them and tried to kill them," Mr. Falt quoted Mr. Akashi as saying. "I condemn this treacherous and cowardly act in the strongest terms," Mr. Akashi was quoted as saying.

the Khmer Rouge's rule in the 1970s in which up to 2 million Cambodians were killed by execution, hard labor or disease. The Phnom Penh government, installed by Vietnam after it invaded in 1978 to end Khmer Rouge rule, had long insisted that the group's leaders be tried for genocide, but dropped the demand to make possible the signing of the 1991 peace agreement that formally ended 13 years of civil war.

The Khmer Rouge signed the agreement but has since refused to carry it out, asserting that the UN mission favors the Phnom Penh government and has done nothing to resist what it calls Vietnam's continuing attempts to colonize Cambodia.

Last week, the head of the UN human-rights component in Cambodia said Khmer Rouge leaders who ordered attacks on ethnic Vietnamese could be tried under a UN convention dealing with acts of genocide. (Reuters, AP)

Mr. Patten, in an interview with BBC television, said that China had softened its opposition to talks over the proposals he set out in October. "I very much hope that we will see another adjustment in Chinese policy," the governor said. "For our part we are happy to talk at any time, any place, anywhere."

He added that he was ready to "tango anywhere" — repeating a phrase, ridiculed in China, that it took "two to tango" in talks aimed at resolving the dispute over his program.

Mr. Patten said China had at first refused to talk unless his proposals were withdrawn. They had then agreed to "talks about talks," he said, but these broke down over Chinese objections to the inclusion of Hong Kong officials in the British delegation.

Patten, Citing Softening, Still Ready to 'Tango'

LONDON — Governor Chris Patten of Hong Kong said Sunday that he was willing to talk to China over his democracy plans for the colony "at any time, any place" and pledged to remain in the job until 1997.

The governor, on a two-week visit to consult with Prime Minister John Major, said he felt sure Beijing would eventually agree to a dialogue and that a "mutually satisfactory" outcome could be found. Asked about reports Beijing wanted him to be replaced as governor of Britain's last major colony, which reverts to China in 1997, Mr. Patten replied that he had agreed with the prime minister "to take the job for five years, and I intend to see it out."

On May 17th, the IHT will publish an advertising section on High Technology: A Guide to the 21st Century

Among the topics to be covered are:

- Technologies of the future
- Outlook for cooperation among the U.S., Japan and Europe
- Technology designed to clean up air and water pollution
- Financing the emerging technology industries
- Economies of scale through corporate alliances

This section coincides with the IHT conference on High Technology being held in Hong Kong and co-sponsored by the International Chamber of Commerce. For advertising information, please contact Juanita Caspari in Paris at: (33-1) 46 37 93 76.

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WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Limited, London, Tel: 322 40 00. Prices may vary according to market conditions and other factors. April 2

Canadian Dollars

Table of Canadian Dollar bond prices with columns for Issuer, Con, Mat, Price, Yld, Bid, and Ask.

ECU Straights

Table of ECU Straights bond prices with columns for Issuer, Con, Mat, Price, Yld, Bid, and Ask.

Pound Sterling

Table of Pound Sterling bond prices with columns for Issuer, Con, Mat, Price, Yld, Bid, and Ask.

Yen Straights

Table of Yen Straights bond prices with columns for Issuer, Con, Mat, Price, Yld, Bid, and Ask.

Other International Bonds

Table of other international bond prices with columns for Issuer, Con, Mat, Price, Yld, Bid, and Ask.

Other International Bonds

Table of other international bond prices with columns for Issuer, Con, Mat, Price, Yld, Bid, and Ask.

Other International Bonds

Table of other international bond prices with columns for Issuer, Con, Mat, Price, Yld, Bid, and Ask.

NEW YORK (AP) - The following securities were traded on the New York Stock Exchange...

Large table of New York Stock Exchange trading data with columns for ticker, price, and volume.

MUTUAL FUNDS

Figures as of close of trading Friday, April 2.

Table of mutual fund prices with columns for fund name, price, and yield.

Mutual Funds

Table of mutual fund prices with columns for fund name, price, and yield.

Mutual Funds

Table of mutual fund prices with columns for fund name, price, and yield.

Mutual Funds

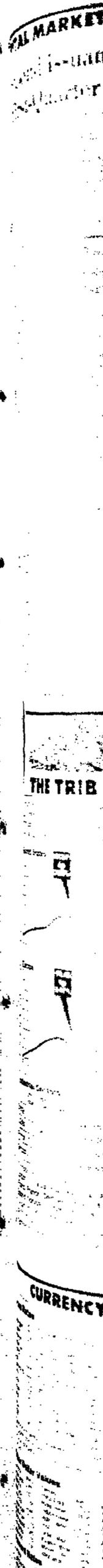
Table of mutual fund prices with columns for fund name, price, and yield.

Mutual Funds

Table of mutual fund prices with columns for fund name, price, and yield.

Mutual Funds

Table of mutual fund prices with columns for fund name, price, and yield.



CAPITAL MARKETS

Eurobond Issuance Soars To First-Quarter Record

By Carl Gewirtz
International Herald Tribune

PARIS — A record \$117.4 billion worth of Eurobonds were floated during the first quarter, topping by 45 percent the previous high, set in the year-ago period, data supplied by Salomon Brothers Inc. shows. The volume of issues denominated in Deutsche marks and Canadian dollars were nearly triple the pace of last year while activity in sterling, French francs and dollars just about doubled.

The big loser in the sweepstakes for market share was the European currency unit, issues denominated in this basket of EC currencies amounted to the equivalent of \$1.9 billion, or 1.6 percent of total volume, compared with a record 18 percent a year ago.

The \$117.4 billion topped the year-ago high by 45 percent.

While the Ecu bore the brunt of investor worries about exchange rate stability within Europe and the prospect of a monetary union emerging by the end of the decade, the major component currencies gained market share. The most important of these, the mark, benefited from its status as the European currency least likely to depreciate. In addition, with the economy sliding into recession, German interest rates are expected to fall sharply this year. Issues totaling the equivalent of \$25.2 billion gave the mark a 21.5 percent share of overall activity — a level not seen since the early 1980s.

Sterling, which withdrew from the Community's fixed exchange rate mechanism last fall, roared back into favor as its exchange rate stabilized after its sharp initial fall on the prospect of currency appreciation and gains in bond prices. Issues totaling the equivalent of \$12.8 billion gave sterling an 11 percent share of new business.

While doubts remain about the ability of the French franc to withstand the pain of high interest rates needed to remain in the exchange-rate mechanism, international investors registered their conviction that whatever happens on the currency front French interest rates will have to decline substantially this year. A quarter of the new issues were designed to overcome doubts about the currency by requiring only a small cash outlay in the form of zero-coupon bonds or delayed payment issues. With the equivalent of \$10.2 billion new issues floated, the franc accounted for 8.7 percent of total activity, a record.

The Canadian dollar also scored a record 10.6 percent market share with the equivalent of \$12.5 billion of new issues. The first-quarter volume nearly matched the annual amount usually arranged in this currency.

The main explanation for its popularity is the favorable swap rates borrowers were able to achieve using it as the vehicle currency. But investors also were attracted by the traditionally close relationship with the U.S. dollar — which is expected to appreciate this year against the European currencies — and the higher yields than available on U.S. dollar paper.

Nevertheless, underwriters are reported to be sitting on a mountain of unsold Canadian dollar paper and new-issue activity has now come to a halt.

The U.S. dollar accounted for 31 percent of total business, up

See BONDS, Page 11

State Firms Make Poor Investment For India

Agency France-Press

NEW DELHI — Public-sector companies worth a total of \$15 billion fetched a combined bid of \$244.3 million, or less than 2 percent, in fiscal 1991-92, a government auditor's report showed Sunday.

But the Press Trust of India news agency said that the annual report of the Comptroller and Auditor General of India, which covered 294 state companies, had excluded 19 units whose accounts had not yet been presented. The fiscal year ended March 31.

The auditor's report said 13 of the 32 central government ministries that invested in the public companies received less than 1 percent as a dividend. In only one case was the return higher than the 11.5 percent interest rate paid by the government on its bonds.

The report said certain sectors, such as petroleum and natural gas, had built up considerable reserves. The 1.33 percent dividend return of these companies would have been higher had they issued bonus shares to the government, it added.

The auditing office has recently criticized several public companies for investing surplus funds in shady financial schemes in violation of the central Reserve Bank of India's guidelines for higher returns.

India is engaged in a cautious privatization program, selectively divesting equity in the gigantic public sector, known for its poor profitability, low productivity and excess staffing.

3 Lights in the East German Gloom

By Brandon Mitchener
International Herald Tribune

CHEMNITZ, Germany — Once known as the Manchester of Germany in testimony to its industrial energy, this city, renamed Karl-Marx-Stadt by the Communist East German regime, had a lit image problem to overcome when it was reunited with the unforgiving, capitalist West in 1990.

In fact, a huge bust of Marx still stares across the city square he once commanded, and crumbling concrete edifices bear testimony to decades of neglect that is taking far longer to reverse than originally imagined.

What remains of East Germany's former industrial core has been humbled by sharp cutbacks, and about 10 percent of its companies are still searching for a lifeline. The general cynicism was dramatized last week by striking workers who knew their pay-related action might cost them their jobs but replied that they expected to lose them anyway.

Slowly, however, the region is rising from the rubble of German unification. The top luxury hotel in Chemnitz, the Congress, has been bought by a French company, IKEA, has added flair to many a living room, and the California Dream Men, a troupe of male exotic dancers, came to town.

Many people predict that the region will not only reclaim its former industrial dignity,

but even strike fear into the hearts of its competitors in Western Germany.

The region's strengths, measured in visits to three recently privatized enterprises that are on the road to recovery, include a drastic downsizing that has increased companies' flexibility, a shared spirit of innovation and an inclination to take risks that reflects a common desperation. All three companies pay less than union wages, but have no trouble finding workers because of widespread unemployment.

Dieter Bartsch, a director of Deutsche Bank's Chemnitz regional branch, which swelled in the post-unification vacuum to become the bank's biggest in the world, said the strongest factor in favor of Eastern Germany was the eagerness of the people to work.

"I boil with rage when I hear West Germans talk about lazy 'Ossis,'" he said, referring to East Germans. "They have no idea." "The West will break into tears when things start to boom here," he said, predicting that in three years West Germans would be "tiring up here to get jobs."

Although he is not entirely impartial, having a stake in the region's recovery, Mr. Bartsch's optimism is plausible.

The three privatized companies taken as examples here all learned quickly to capitalize on local tradition in a way that showed

their determination to carve themselves a niche that can double as a bunker against cutthroat West German competition.

Fonon Hausgeraete GmbH, which achieved international standing by marketing the first refrigerator free of ozone-damaging chlorofluorocarbons, bills its line of appliances as "Quality from Saxony," instead of "Made in Germany."

Bicycles made by Diamant Fahrradwerke GmbH, including one bought by Finance Minister Theo Waigel, who rode a Diamant in his youth, also proudly sport the Saxon coat of arms.

Motocoradwerk & Zweiradwerk GmbH, a maverick motorcycle maker based south of here in Zschopau, goes so far as to call its entire line of cycles "Saxon," after the resurgent southeastern German state that includes Chemnitz, Dresden and Leipzig.

Saxony leads privatizations in East Germany, with about 82 percent of its enterprises auctioned off.

Founded in 1907, MZ invented the first two-cycle motorcycle, and went on to become the world's biggest motorcycle maker.

Following German unification, the Trehand privatization agency wanted to see MZ closed. The sprawling old factory closed its gates last June but was resurrected by a group

See SHINE, Page 12

Outlook Dims for Australia Banks

Property Troubles Expected to Hurt Half-Year Results

Agency France-Press

MELBOURNE — Australian banks are likely to add to recent real estate write-downs, and their upcoming half-year earnings would suffer as a result, the country's most successful bank said Sunday.

The managing director of National Australia Bank Ltd., Don Argus, said that Australia's struggling commercial property market had not yet hit bottom and that the last six months had seen another major fall.

"I happen to believe that the property market has slipped since September, and I think it's gone probably by about 10 percent," Mr. Argus said on Australian television.

He added, "I don't know what other banks do, but we keep making our adjustments according to the deterioration in the market."

Westpac Banking Corp. and ANZ Banking Group Ltd. saw their annual profits obliterated last year, with Westpac taking massive real estate write-downs in the six months through March 1992, and ANZ doing the same in the full year through September.

National Australia, Westpac, ANZ and Commonwealth Bank are Australia's Big Four banks.

National Australia Bank said it avoided having to make large write-downs because it had progressively covered its property exposure.

Speculation has surfaced recently that Westpac may have to make substantial write-downs on top of last year's 2.7 billion Australian dollars (\$1.9 billion), to allow for the fall in real estate values.

Some analysts are predicting new write-downs of between 400 million dollars and 800 million dollars.

ANZ's property exposure is less extensive. Because as its write-downs were made six months later than Westpac's, it looks unlikely to have to provide to the same extent.

Slumping Dollar Searches for a Floor

By Carl Gewirtz
International Herald Tribune

PARIS — The dollar dropped out of its two-month trading range of 1.61-1.67 Deutsche marks last week, setting the stage for a test of how low it falls before it can resume its uptrend.

The consensus that the dollar will appreciate smartly against the European currencies by late this year remains intact. Analysts are convinced that substantial cuts in

short-term German interest rates and economic recovery in the United States with inflation stabilized will push the dollar up.

But between now and then, the view is that the dollar is set for a correction. The U.S. unit finished last week at 1.5975 DM and 113.75 yen.

The rate declines in Germany have been much slower than anticipated, and investors holding dollars earning interest of 3.125 per-

cent are forfeiting 4.75 percentage points by not holding marks — a paper loss that was expected to be compensated by the dollar's appreciation. Instead, the dollar is back to levels last seen in late January.

At the same time, uncertainty about U.S. growth prospects and renewed worries about inflation are undermining confidence that the ingredients for a recovery of the dollar are yet in place.

"Strength in the dollar against either the yen or the mark is unlikely to emerge while U.S. business and consumer confidence remains vulnerable to the debate over taxes, health care and government regulation, among generally," said Jonathan Wilmut at Credit Suisse First Boston in London.

He warned that "the debate is set to be a bruising one." Neil MacKinnon, London-based analyst for Citibank, said: "The dollar's close below 1.61 DM confirms its long-term downtrend is still intact for now."

"Its upside potential looks very limited, and the near-term risk is high that the dollar will continue to

lose ground against the mark as well as the yen."

The dollar touched a low of 113.50 yen last week. Mr. Wilmut said he saw it trading in a new range between 105 and 120.

Mr. MacKinnon saw the dollar possibly as low as 1.57 DM, and then recovering.

But analysts also note that in the absence of any fundamental news developments, trading activity would be dominated by the way the dollar looked on charts.

Simon Crane, a London-based trading adviser, said he saw the dollar at 1.55 DM.

But James Borden at Chase Manhattan in New York was more cautious, warning that "as the dollar probes lower it gets closer to the point where the final big turn could take place."

He added, however, that it was "too early to tell" if the dollar was near that bottom.

Analysts are looking to Thursday's news on U.S. wholesale prices in March and Friday's data on con-

See DOLLAR, Page 11

Hong Kong N. Jobbook

Free Yuan Often Too Cheap

China's recent decision to allow travelers to take what they call the renminbi — the People's money — in or out of the country for the first time since 1949 has created opportunities for some Hong Kong businesses and a quandary for banks in the British colony.

Increasingly wealthy potential customers from China are streaming into Hong Kong, but is accepting their depreciating yuan to get their business worth the effort?

The yuan, not freely convertible, is rapidly losing value against foreign currencies in the black market and in official swap centers where state-approved groups and foreign enterprises trade the yuan.

China's currency has tumbled against the U.S. dollar by about 20 percent in three months in swap market trades. However, Beijing has dropped the official rate by only 4 percent over the same period, exacerbating speculation and worsening trading difficulties for foreign firms operating in China.

Not waiting for Beijing to act, some Hong Kong department stores and many goldsmiths decided in March to accept yuan for their wares.

Foreign banks currently prohibited from taking yuan deposits in China find themselves at a disadvantage. Accepting yuan deposits in Hong Kong now could help develop a customer base among mainland visitors when restrictions on foreign banks operating in China are eventually lifted.

However, such a marketing ploy contains a major drawback. "It's being looked at," said Bob Sherbin, a spokesman for the Hongkong Bank, the colony's largest. "There's a question as to whether a profitable use could be found for the funds collected. There's been no clear need identified yet."

executive, Deryck Maughan, recently stopped in Hong Kong to wave the company flag and announce a plan to boost the firm's presence in regional stock markets.

"Our strategy is simple; hire the best people we can find," said Mr. Maughan. "We cannot wait for good trainees to grow. We'll pay the right people now if we can find them."

"Naturally, people have second thoughts about the Americans. Morgan Stanley has been hiring again even though it closed down equities two years ago, not all that long after it first started," said Mr. Wan. "But people in equities aren't risk averse by nature. They're not overly concerned when it's worth their while."

Pump Up the (Forex) Volume

Foreign-exchange trading volume grew by 26 percent between 1989 and 1992 in Hong Kong, but local currency traders want both China and Hong Kong's new Monetary Authority to do more to boost turnover.

Citing the Singapore government's active support of its forex market as an example, P.S. Tam, president of the Hong Kong Foreign Exchange Association, hopes to see more of the colony's \$30 billion in reserves in the market each day.

"Hong Kong is not too speculative in managing its reserves, but the new Monetary Authority has said it intends to become more aggressive," said Mr. Tam. "Many of our members want to see it become more prominent in the local forex market — not as a big punter, but as a consistent force."

The Bank for International Settlements recently released a market activity report that found Hong Kong to be the world's sixth-most-active currency trading center between 1989 and 1992. Hong Kong held its rank from a previous study, but Singapore's leap from fifth to fourth in terms of gross turnover has stirred up the traditional rivalry between the two Asian financial centers.

China was not included in the BIS survey, but its \$18 billion trade surplus with the United States suggests it is a major player in international forex markets.

Kevin Murphy

U.S. Brokers Go Long Traders

Big American investment houses' redoubled efforts in Hong Kong are nudging salaries for top stock-market professionals to match and occasionally exceed levels found in other world markets.

"If you've got China securities experience, you'll find yourself in very hot demand," said Samuel Wan, managing director of the executive search group Norman Broadbent (HK) Ltd. "Top sales, research and even operations people are asking for a lot of money and getting it."

Salomon Brothers Inc.'s chairman and chief

New Column Looks Ahead Of the Curve

In a new column beginning Tuesday, Reginald Dale will analyze the economic, financial and business events that are shaping tomorrow's world.

The column by Mr. Dale, the former economic and financial editor of the IHT, will appear each Tuesday and every other Friday.

Working from his base in Washington, Mr. Dale will draw insights and perspectives from business people and boardroom chiefs, workers, bankers, politicians and economists around the world on the international economic issues of the day.

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Shareholders are hereby convened to attend the Statutory General Meeting of the Shareholders, which will take place at the company's registered office in Luxembourg on April 15, 1993 at 15:00 for the purpose of considering and voting upon the following points:

Agenda of the Statutory General Meeting

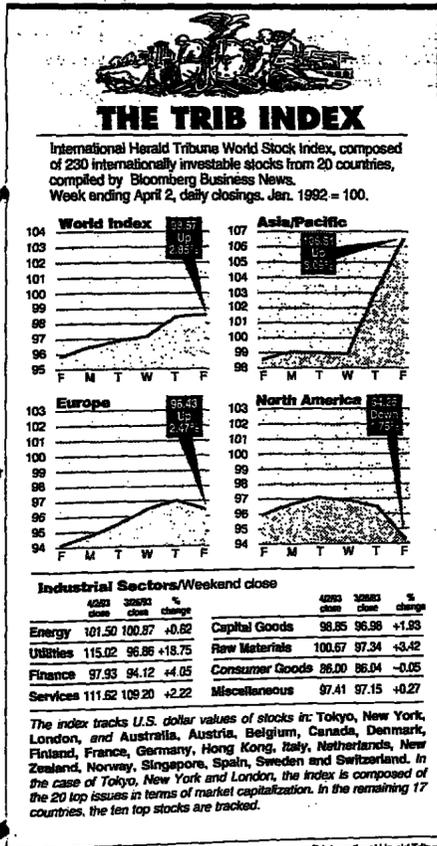
1. Reports of the Board of Directors and of the Independent Auditor.
2. Approval of the financial statements made-up as of December 31, 1992.
3. Discharge to the Directors and to the Independent Auditor.
4. Statutory Appointments.
5. Miscellaneous.

Resolutions on the agenda of the Statutory General Meeting will require a quorum and will be taken at the majority of the votes expressed by the shareholders present or represented.

Shareholders who cannot attend the meeting are invited to send a proxy to the registered office to arrive not later than April 10, 1993. Proxy forms will be sent to registered shareholders. Proxy forms may also be obtained from the registered office.

The owners of bearer shares will have to deposit their shares five clear days before the meeting at Banque Ferrier Lullin (Luxembourg) S.A., 14, boulevard Emmanuel Servais, L-2235 Luxembourg.

THE BOARD OF DIRECTORS



CURRENCY RATES

Cross Rates	Per \$	Per 100	Per 100	Per 100	Per 100
American	1.795	2.295	112.0	112.0	112.0
British	1.570	2.442	107.0	107.0	107.0
French	1.542	2.251	103.0	103.0	103.0
German	1.147	2.149	101.0	101.0	101.0
Italian	1.290	2.422	100.0	100.0	100.0
Japanese	1.415	2.292	99.0	99.0	99.0
Spanish	1.182	1.717	97.0	97.0	97.0
Swiss	1.457	2.241	96.0	96.0	96.0
U.S. Dollar	1.000	1.000	95.0	95.0	95.0
U.K. Pound	0.633	0.633	94.0	94.0	94.0

Cable TV Box Holds Video Bonanza

By John Markoff
New York Times Service

SAN FRANCISCO — The ubiquitous cable television set is about to become a new battleground for American computer, telephone and cable television companies. The ultimate prize: control of the access to all the video entertainment and new types of electronic information that enter and leave the home.

The struggle will move to a higher plateau, perhaps as early as this week, when three companies each dominant in their fields — Microsoft Corp., Intel Corp. and General Instrument Corp. — are expected

to announce that they are jointly developing a set-top device that combines the functions of a cable converter box and a personal computer, according to industry executives. The three companies are working out final details of their agreement.

The device is expected within a very few days, when cable television systems will probably offer as many as 500 channels, and set-top units like the one envisioned may be the portals through which virtually all video signals flow.

The power of a personal computer will be helpful not only for selecting from all the movies and countless clones of popular televi-

sion programs that are sure to evolve. It could also make possible "interactive" television tasks, such as assembling newscasts tailored to a viewer's particular interests, browsing through video versions of the encyclopedia or summoning on-screen shopping services in which catalog models parade their wares at a viewer's command.

"There really aren't any bigger battles than this," Mark Stahlman, an industry analyst at New Media Associates in New York City, said.

"Telephone companies, cable operators and computer manufacturers are racing into your bedroom."

Besides Microsoft, Intel and

See VIDEO, Page 11

When you know your worth



Omega Constellation.
Automatic chronometer
with date, in 18 k gold.
Scratch-resistant sapphire crystal.
Water-resistant.
Swiss made since 1848.

OMEGA
The sign of excellence

New International Bond Issues

Compiled by Laurence Desvillettes

Table of bond issues with columns for Issuer, Amount (millions), Mat., Coup., Price, and Terms. Includes sections for Floating Rate Notes, Fixed-Coupons, and Equity-Linked.

Inflation Fears Push Bond Yields Upward

Compiled by Our Staff From Dispatches

NEW YORK — Inflation fears have surfaced in the credit markets, sending long-term bond prices and pushing 30-year Treasury yields above 7 percent.

far from its lowest level in 16 years.

The drop to the low yield of 6.72 percent on March 8 has already encouraged homeowners, businesses and local and state governments to refinance high-rate debts.

inflationary pressures could subside, which is good for bonds.

But prices shot up only briefly because it was quickly reported that the surprisingly strong February growth of 365,000 jobs, which had been expected to be revised downward, was instead revised up to 367,000.

five tenths of 1 percent in March.

For the year so far, he said, hourly earnings are up at a 3 percent annual rate, compared with 2.5 percent at the end of last year.

five-month rally now rather than risk them in the hope that the market would turn around.

Even before the jobs report was released Friday there were some signals from the Federal Reserve System that inflation concerns were growing.

The Week Ahead: World Economic Calendar, April 5 - 9

A schedule of the week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

Asia-Pacific: April 6 Hong Kong Markets, business closed for public holiday in March. April 7 Tokyo Japanese market, Tokyo Japanese market to open for business on Monday.

Europe

Events expected this week: Frankfurt German February manufacturing orders. Copenhagen Danish February unemployment rate.

The Americas

April 5 Washington Treasury Department reports 3- and 6-month bills auction results.

Washington

Commerce Department reports plant and equipment spending for fourth quarter 1992.

Mexico City

Central bank is scheduled to announce the results of its Treasury bill, or Cetes, auction.

BONDS: A First-Quarter Record

(Continued from first finance page) from 27 percent in the year-to-date period but still the low end of its usual range.

With new issues totaling \$36.8 billion, activity was up 68 percent from a year ago.

DOLLAR: Seeking the Rebound

(Continued from first finance page) surer prices as the next major test. J.P. Morgan analysts reported that core readings of the wholesale and retail price indexes are "likely to be at best neutral relative to the 3-to-3 1/2 percent underlying inflation trend."

lower rates are compatible with a stable franc," Mr. Potts said. "What's not sustainable is for short-term rates to remain above 10 percent."

First City Investor Surrenders

BANGKOK — The leading shareholder in the collapsed First City Investment Co. and two former executives surrendered to the police over the weekend to face charges of forging legal documents, falsifying account records and producing incorrect and incomplete financial statements.

The three, Picharee Wongpatitorn, the shareholder, her husband, Wiramond, and her brother-in-law Wirachai, were freed on bail of 10 million baht (\$395,000) each, police officials said.

VIDEO: Cable Boxes Hold Key to Control of Market

(Continued from first finance page) General Instruments, a range of computer makers are anxious to form partnerships with both cable and telephone companies to attack the new interactive market.

But the first successful commercial interactive system is not American. In Montreal, Groupe Videoway is giving cable viewers a glimpse of what digital interactivity will mean in the future.

When Videoway customers watch Montreal Expos baseball games, for example, they can use a set-top converter made by Zenith Electronics Corp. to watch the game from up to four angles, jumping at will from camera to camera.

Last Week's Markets

Table showing Stock indices (DJI, Nikkei, FTSE, etc.) and Money Rates (US, UK, etc.) for the previous week.

MUTUAL FUNDS

Table showing mutual fund performance with columns for Fund Name, Bid, Ask, and other metrics.

Euromarts At a Glance

Table showing Eurobond yields for various maturities and currencies.

Weekly Sales

Table showing weekly sales figures for various markets and currencies.

Labor Rates

Table showing labor rates for different countries and currencies.

BusinessWeek advertisement featuring 'This week's topics' and 'Now available at your newsstand!'

Fidelity Special Growth Fund advertisement including 'NOTICE OF EXTRAORDINARY GENERAL MEETING' and contact information.

Herald Tribune advertisement for 'LIVING IN THE U.S.' with contact information for subscriptions.

Probe Set After Spills By Hoechst

Reuters

FRANKFURT — The government has decided to investigate Hoechst AG, Germany's largest chemicals company, to see if poor organization was to blame for a series of accidents at its plants, officials said over the weekend.

Environment Minister Klaus Töpfer said he and local officials agreed on the investigation, which is to be carried out by his ministry. More than a dozen accidents have occurred at Hoechst facilities since February.

On Friday, several hundred kilograms of concentrated sulphuric acid escaped into the atmosphere when a pipe broke at Hoechst's main chemical plant in Frankfurt. The most serious accident occurred March 15 when an explosion at a Hoechst plant in Frankfurt killed a worker and seriously injured another.

That was the seventh accident at company plants over the previous three weeks. At the time, Mr. Töpfer said that Hoechst would come under "intensive state control."

This past weekend, Mr. Töpfer spoke to reporters after meeting with Joschka Fischer, the environment minister for the state of Hesse, where the company's main plants are located.

Mr. Fischer said he planned to meet with Hoechst managers this week for discussions on the matter.

Big Union Warns It May Strike in 'All of Germany'

Reuters

MAGDEBURG, Germany — The powerful engineering and steelworkers' union threatened over the weekend to launch wildcat strikes in Western Germany as a follow-up to two days of protest actions at Eastern companies.

Franz Steinkühler, chairman of the IG Metall union, said the strikes could spread unless employers in Eastern Germany reversed a decision to cancel a wage deal boosting pay by more than 20 percent.

"There must be unmistakable protest action in all of Germany," Mr. Steinkühler said in the eastern state of Saxony-Anhalt at a meeting of Germany's biggest union.

More than 130,000 IG Metall workers at Eastern German companies walked out on brief strikes on Thursday and Friday, demanding that employers abide by a 1991 pact that aimed to boost wages in the East to Western levels by 1994.

WORLD STOCKS IN REVIEW

Via Agence France-Press

Amsterdam

The Amsterdam Stock Exchange resumed its upward trend last week as the CBS All-Share Index gained 1.2 points to close Friday at 219.8.

Nutricia, a baby food company, rose 8 percent over the week to 131.50 guilders.

The electronics giant Philips gained 3.8 percent to 24.40 guilders, after announcing talks on a partnership with Apple and IBM.

Frankfurt

Trading was calm, and the DAX index closed Friday at 1,661.75, up a bit from 1,661.29 a week earlier. The outlook for gains in the coming week appeared limited, with analysts saying they did not expect rate cuts by the Bundesbank soon.

Daimler-Benz finished the week at 610.50 DM, down from 612.20, while Volkswagen, which reported a sharp first-quarter loss, dropped from 311 to 307.80.

Hong Kong

Share prices rose almost 1 percent, as the Hang Seng Index advanced 63.19 points, to close the week at 6,404.44.

Dealers attributed the upward movement to the absence of new developments in the British-Chinese dispute over Hong Kong's political future.

The positive trend should continue, dealers said, following remarks by Premier Li Peng that China was ready for talks.

Speculation that Governor Chris Patten could step down drove the index up 83.59 points Tuesday, but it slipped back when the governor denied the rumor.

London

Shares rose slightly over the week as dealers remained cautiously optimistic that the recession was coming to an end in Britain. The Financial Times-Stock Exchange 100 index ended the week up 17 points, at 2,869.9 points. The FT-30 index rose 11.2 points, to 2,223.4.

Prices were helped by remarks from Robin Leigh-Pemberton, governor of the Bank of England, who said the recession was probably finished. Still, he limited the impact of his remarks by further weakening hopes for a cut in interest rates and indicating he favored a stronger pound.

Pharmaceuticals companies were among the hardest hit. Wellcome, which lost 94 pence the previous week, fell 102 to 692, after tests suggested its AZT drug did not prevent the onset of AIDS among HIV-positive patients.

Milan

The growing survival crisis faced by the government and a slump in the lira to a record low against the mark sent shares plunging. The MIB Index fell 27 points, or 2.51 percent, to finish at 1,049.

The extension of corruption investigations to include the activities of former Prime Minister Giulio Andreotti was the signal for brokers to adopt a hands-off position.

Fiat, facing charges that it used an illicit Swiss bank account to fund political parties, lost 3.65 percent Friday and finished down 0.86 percent on the week.

Paris

Shares touched their high point of the year but finished down on the week after a bout of profit-taking. The CAC-40 index hit 2,035.91 points before falling back to close at 1,990.82, down 34.96 points, or 1.75 percent.

That followed a 3.1 percent rise the previous week. The market has gained 7.16 percent since the start of the year.

The formation of a new conservative administration committed to a strong-franc policy and attempts to lower interest rates reassured the Bourse, analysts said.

Singapore

The Stock Exchange of Singapore ended the week on a wave of economic optimism, with the Straits Times Industrial Index

climbing 27.4 points, to a record 1,688.16, at the close Friday.

The SES all-Singapore index gained 3.72 points, to 421.17.

Tokyo

Investors piled into the Tokyo Stock Exchange and sent the Nikkei index to its highest level in a year. The 225-issue Nikkei Stock Average closed the week at 19,446.94 points, up 658.24 points, or 3.5 percent, from a week earlier.

Volume of 1.5 billion shares Friday was the largest daily turnover in 40 months. Market optimism was bolstered by the anticipated announcement of a new economic stimulus package in mid-April.

Despite gloomy forecasts for corporate earnings, foreign and individual investors led the buying. Funds continued to flow in from the bond market on anticipation of a cut in base interest rates.

Zurich

Seen by analysts as a period of consolidation, the bourse finished the week significantly higher, with the Swiss Performance Index gaining 17.41 points, to 1,343.71.

But traders warned that the underlying trend was one of correction after sharp gains since the start of the year.

SHINE: 3 Companies Try to Lead the Way Out of the Gloom in Eastern Germany

(Continued from first finance page)

of supporters that included its British importer and Kurt Biedenkopf, the Saxony governor.

Like most companies that have been privatized, MZ had to slash its payroll. That forced the company to concentrate on a narrower market and rendered its corporate ambitions modest. It now employs 250 workers, compared with 3,000 before unification, and expects to sell 10,000 motorcycles this year, a far cry from an output of 80,000 in its heyday.

Petr-Karel Korous, the company's Czech-born, West German-trained manager, said, "That's as big as we want to grow."

MZ's market share in European countries, including Germany, averages 1.3 percent.

BMW AG, the only other German motorcycle maker, sold 35,000 motorcycles worldwide last year, 14,000 of them in Germany. Hans Sautter, a spokesman for BMW's motorcycle division, said the company did not feel threatened by the return of MZ.

Mr. Korous described the new MZ philosophy as targeting demand for solid, mostly middleweight motorcycles, the fastest-growing segment of a global renaissance in motorcycling.

"The motorcycle market is unaffected by recession," he said, citing environmentalist, demographic and economic reasons for the boom.

MZ motorcycles are also very basic, he added, reflecting a local trend to concentrate on such essentials as quality construction rather than expensive frills.

"Everything that is not necessary for a good ride is left off," he said. "That means simplicity."

Simplicity also sells for other companies, including Diamant, one of four surviving East German bicycle makers, which this year introduced a model called "The Stripper"

that exposes its distinctive gold-on-silver welds beneath a clear coating.

"We have nothing to hide," said Hartwig Müller, Diamant's chairman, noting that customers liked to see, literally, the workmanship and were willing to pay more for it.

Of the three companies, Diamant is the only one that has already made a profit.

Although he would not give a figure, Mr. Müller said the company was in the black in the first quarter of 1993 for the first time since its rebirth in January 1992 with the backing of Villiger, a Swiss bike maker, and DBG, a Deutsche Bank venture-capital unit.

MZ is owned by Mr. Korous and an unnamed investor, while Foron is owned by management, a Kuwaiti group and the East German Investment Trust of Britain.

MZ and Foron expect to operate in the red this year, but can cite interim successes that make credible their claims that they will break even next year.

MZ has been expanding its dealer network

and says it will capture 40 percent to 50 percent of the high-profile German market for police motorcycles, a former BMW domain, this year.

"We've signed for 250 and delivered 120," Mr. Korous said. He added that MZ expected to deliver between 300 and 400 motorcycles to police forces this year, out of a total market for 700.

The company also is planning production of a lightweight motorcycle, the Scorpio, which Mr. Korous said would go on sale in 1995 or sooner.

Foron, whose refrigerator-freezer division was formerly known as DKK Schaufenstein, made a splash with its Clean Cooler, the ozone-friendly fridge. Neckermann, a big West German mail order house, ordered 20,000 units, and supporters of Greenpeace, the environmental group, 60,000.

"That kind of advance ordering isn't common in the refrigeration industry and has the West German competition hot," said Siegfried Schlotig, the Foron spokesman. With daily output of 400 units, the company is having trouble filling delivery trucks, he added.

Because the refrigerators use a propane-butane coolant, some appliance makers in Western Germany tried to use a scare campaign to drive away Foron's customers.

"There are people here who have been working with refrigerator technology for two generations," said Mr. Schlotig. "They would not be making a refrigerator that explodes."

Demonstrating renewed solidarity with local manufacturers, an often underestimated factor helping East German companies make a comeback, Mr. Müller of Diamant said he needed a new refrigerator and would "certainly buy the environmental fridge."

Diamant, meanwhile, recently unveiled a bike called the Cityblitz that has a detachable electric motor. Mr. Müller, who rides one himself, said it was the first of its kind and a big help on the area's hilly streets.

The products leading the three companies back into the black all were designed and put into production in record time, which those involved cited as a flexibility that West German competitors could only envy.

"We managed to renew the complete range of products in one year," said Mr. Korous. "BMW takes much longer to change because they think in a much more complicated way. Here, the lack of money and lack of time force people to be more sly."

Speaking unofficially for all three companies, Mr. Korous poked fun at sometimes desperate "survival concepts" proposed by East German companies seeking to buy a few more months of survival. "We don't have concepts, we have motorcycles," he said.

East German Sell-Off Hits Stretch

Reuters

BONN — The head of the Treuhand privatization agency, Birgit Breuel, said Sunday she was confident that the final 2,000 former East German companies awaiting privatization would be sold by the beginning of 1994.

She told German radio that a solution had been found for 800 of the 2,000 concerns that would allow them to continue operations. In a few cases, enterprises would have to be closed, she said, but the Treuhand agency was "fighting wherever we can" to avoid that.

The agency had sold 11,234 companies and subsidiaries by the end of January since it began privatizing East Germany's crumbling industry in 1990.

Last month, it said 800 of these sales had not taken effect legally. In the sell-off, 1.4 million jobs were secured and investment totaling 173.2 billion Deutsche marks (\$109 billion) was pledged. The Treuhand agency shut down 2,340 companies by the end of January.

Taiwan to Privatize Military Firms

TAIPEI (AFP) — Fourteen military-run companies will go private in three years as part of the Taiwan government's liberalization efforts, officials of a military agency said Sunday.

The 14 enterprises under the Vocational Assistance Commission for Retired Servicemen are expected either to release more than 51 percent of their shares to the public or sell their entire operation to private concerns. The 14 companies include an engineering agency, a steel and iron mill, a petrochemical manufacturing company, a plastic plant, a textile factory, a petrochemical plant, a printing shop and a pharmaceutical manufacturer.

The government has decided to privatize as many state companies as possible to gain international recognition as an economically liberalized country and access to the General Agreement on Tariffs and Trade.

CITIC Sees 10% Growth This Year

BEIJING (Reuters) — China International Trust & Investment Corp., Beijing's premier overseas investment company, said Sunday it expected profit to increase by at least 10 percent this year.

The company's president, Wei Mingyi, told the official China Daily that the company's real estate, infrastructure and manufacturing would dominate CITIC's domestic business this year. He added that the company was also awaiting government approval to start a joint-venture insurance company.

CITIC is one of China's biggest companies, with about 50.7 billion yuan (\$8.9 billion) in assets and holdings worldwide. Profit rose to 269 million yuan in 1991, from 258 million yuan a year earlier.

Vietnam Set for American Accord

BANGKOK (AP) — Vietnam Airlines has made all preparations for cooperation with American Airlines once the U.S. economic embargo against Vietnam is lifted, an official report said Sunday.

The Vietnam News Agency, which quoted Vietnam Airlines' director general, Nguyen Hong Nhi, gave no details of the agreement. The report was monitored in Bangkok. The United States imposed its embargo on North Vietnam in 1964 and extended it to the entire country after the Communists defeated U.S.-backed South Vietnam in 1975.

Italian Business Executives Released

ROME (AFP) — Two Italian business figures from key state-owned companies have been freed after having been detained in connection with the vast inquiry into political corruption, court sources said.

Mario Arlati, managing director of the SME food concern, was released Saturday after lengthy questioning. He had been detained Friday on charges of having provided 130 million lire (\$30,000) to finance a party for Avanti!, the Naples newspaper of the Italian Socialist party. Also released Saturday, in Milan, was Gianni Dell'Orto, head of the SAIPEM oil company, who had been under arrest since March 18.

Legal sources on Friday said heads of two other companies had been set free. The president of AGIP, Raffaele Santoro, and the president of SNAM, Pio Pignatelli, accused of falsifying company accounts and illegally financing political parties, had been held since March 11, the sources said.

Kuwait Corruption Scandals Grow

KUWAIT (AP) — A parliamentary deputy has accused an unidentified Defense Ministry official of taking \$100 million in kickbacks, adding to the mounting corruption scandals that have rocked Kuwait since last year.

In an interview with the independent Al-Qabas daily Saturday, Mubarak al-Dwailah said the official had taken unlawful commissions on arms deals with foreign companies. He did not name the suspect or give details.

Bankruptcies Grow in Belgium

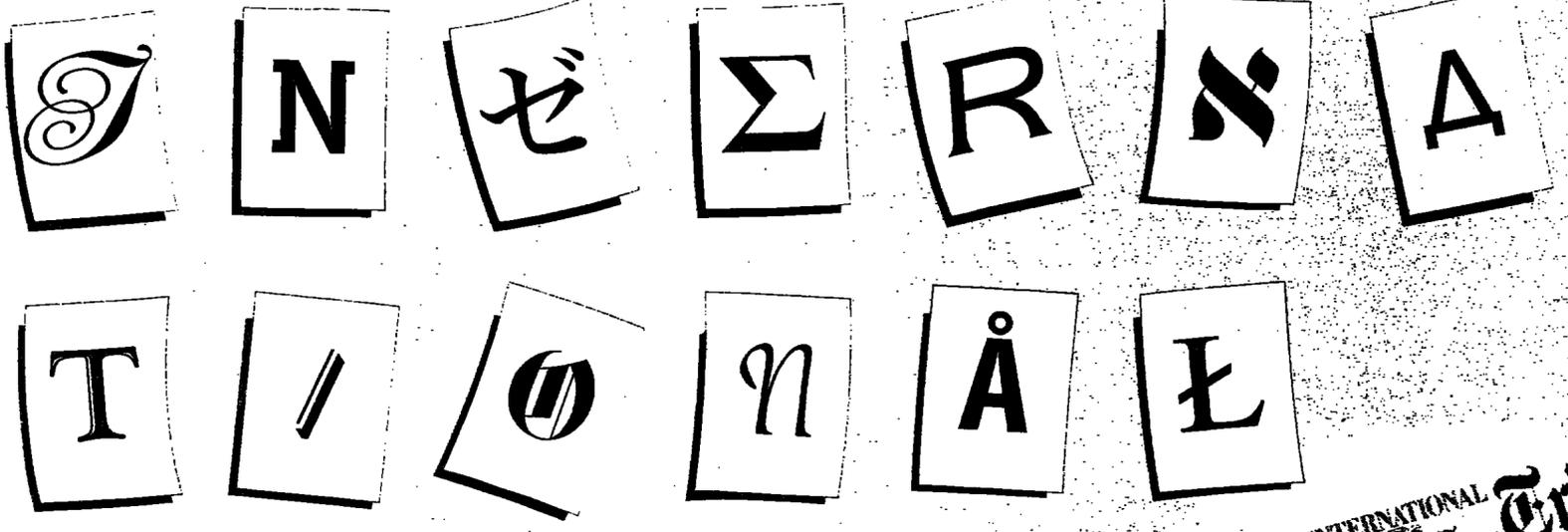
BRUSSELS (Reuters) — Bankruptcies among Belgian companies jumped by more than one quarter last month compared with March 1992.

A report published on Saturday by Dun & Bradstreet International, financial consultants, is likely to fuel the debate over plans to create a European Community single currency by the end of the century.

For the Record

Iran has adopted a single rate for foreign exchange and scrapped its two-tier system, effective from March 27, the central bank announced Saturday on Tehran Radio. It fixed the dollar at 1,542 rials. (AFP)

Poland's central bank announced new rules Saturday aimed at liberalizing currency trading on the domestic interbank market. Under the new rules, about 60 Polish banks would have almost unlimited freedom to deal in foreign currency among themselves. (Reuters)



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MONDAY SPORTS BASKETBALL

Finally, It's Michigan and North Carolina in NCAA Title Game

Tar Heels Exploit Kansas's Size Gap

By William C. Rhoden

NEW ORLEANS — North Carolina earned a berth in the National Collegiate Athletic Association championship game with a convincing victory over Kansas that proved the machine that when speed and quickness meet size, speed and quickness, size usually wins.

Kansas, hoping that its quickness and outside shooting would prevail, was beaten up inside by Eric Montross, then cut up along the edges by outside shooting as North Carolina scored a 78-68 victory at the Louisiana Superdome.

Montross, the 7-foot (2.13-meter) junior center, scored 23 points, all of them on point-blank shots or rim-rattling dunks over Kansas defenders, who could neither match his size nor athleticism. He made 9 of 14 shots and was 5 of 8 from the foul line.

With Kansas (22-7) conscious of cutting off the middle, other holes were created, most notably on the outside, where Donald Williams mastered the 6-3 sophomore guard scored a game-high 25 points and made 5 of 7 shots from 3-point range.

Between collapsing to cover Montross and stretching to reach Williams, the Jayhawks left their middle exposed, and George Lynch, who scored 14 points, delivered crunching body blows.

Not only did Carolina match Kansas stride for stride, but its defense pressured the Jayhawks into turnovers at crucial points in the game. Kansas committed 16 turnovers for the game.

"I was impressed by our ability to get the ball in to Eric," said Dean Smith, the North Carolina coach. "And then Donald Williams had a good night outside. On defense, our big people did a good job on their big people."

Rez Walters and Adonis Jordan led Kansas with 19 points apiece.

Kansas figured that North Carolina, with three 7-footers at its disposal, would try to capitalize on its superior inside strength. The Jayhawks figured right.

From the start, when Williams lobbed the ball in to Montross from the post, the Tar Heels never hid that they would go to their well early and often, and they dared Kansas to stop them.

Kansas usually could not. When the Jayhawks did, it was because Montross missed on a short-range shot. Montross junior made three of six shots in the first half, and finished it with 8 points.

But the sharpest, most persistent thorn in the Jayhawks' side was Lynch, the 6-8 senior forward who scored 10 points before intermission, most of them down low. With Kansas preoccupied with Montross, Lynch and Brian Reese, the 6-6 forward, usually found themselves in isolated situations.

But if North Carolina had size, the Jayhawks knew that their salvation, indeed their only counterattack against taller timber, was quickness and outside shooting.

Kansas did not outshoot North Carolina in the first half — the Tar Heels did the edge, 53.1 percent to 48.1 percent — nor did they outscore the Tar Heels. The Jayhawks simply stayed close early on and Carolina's occasional miscues.



The junior forward Chris Webber raised a celebratory fist after Michigan's 81-78 overtime defeat of Kentucky in the semifinals of the NCAA tournament. Webber had 27 points and 13 rebounds, plus blocking two key passes in overtime.

Wolverines Come Back to Force Overtime, Then Put an End to Kentucky Run, 81-78

By Steve Berkowitz

NEW ORLEANS — Michigan finally played a game no one could criticize.

The Wolverines ended Kentucky's impressive march through the National Collegiate Athletic Association tournament with an 81-78 overtime victory that put Michigan in the national championship game for the second consecutive year.

The Wolverines (31-4), having lost the 10-point lead they held with a little less than 13 minutes left in regulation, then trailed for the first four minutes of the five-minute overtime. But they will meet North Carolina on Monday.

The Tar Heels (33-4) defeated Kansas on Saturday in the other semifinal, 78-68. Michigan beat North Carolina in December in the semifinals of the Rainbow Classic in Hawaii, 79-78, on a last-second shot by Jalen Rose.

The victory over Kentucky "says what we have been trying to say all season," Rose said. "We're winners. We find a way to win."

Kentucky (30-4) had its season ended in crushing fashion for the second straight year. Last year, the Wildcats lost to Duke in the East final on Christian Laettner's miraculous shot at the buzzer.

"We're very disappointed," said Kentucky's coach, Rick Pitino. "We thought we had a victory and we let it get away. We're very disappointed."

Rose (18 points) and the junior forward Chris Webber (27 points, 13 rebounds) made the most important plays Saturday. With Kentucky leading in overtime, 78-75, the Michigan forward Ray Jackson hit a layup while being fouled with 56 seconds to play. He missed the free throw, but the ball went off the hands of the Kentucky center Rodney Dent and out of bounds. Given a reprieve, Michigan took a 79-78 lead with 41 seconds left when Webber took a pass in the low post, spun past Gimel Martinez and drove the baseline for a layup.

Dent then missed from the lane. Martinez fouled Rose with 21 seconds left and Rose made two free throws for an 81-78 lead. After a Michigan timeout, Kentucky

worked for a 3-point shot but could only get an off-balance attempt by Martinez with four seconds left.

The rebound went off Jackson's hands, giving Kentucky life, but Webber blocked two inbound passes by Dent. The first time, Webber sent the ball back out of bounds. The second time, he tipped the ball up in the air, caught it and tossed it toward midcourt.

The Kentucky guard Tony Delk grabbed the ball and threw it toward the basket, but he wasn't close and the buzzer sounded.

Webber, who said before the game that he had not been having fun in the tournament, was asked if he was having fun now. "I'm having a lot of fun," he said. "It's fun to see a challenge and overcome it."

The Wildcats won their seven previous postseason games (three in the Southeastern Conference tournament, four in the NCAA tournament) by about 30 points.

But Michigan led by 40-35 at halftime and by 54-44 with 13 minutes to play. The Wolverines were not flustered by Kentucky's press, and showed patience once they moved the ball into the front court.

The Wildcats, meanwhile, were showing none of the offensive balance that had been one of their defining characteristics this season. At halftime, only four Kentucky players had scored.

Michigan made 12 of 13 first-half free throws — far better than the 65 percent the Wolverines had shot in the first half throughout the season — and made 23 of 30 overall.

But Kentucky blitzed the Wolverines with a 13-2 run that began with 10 consecutive points and ended with the Wildcats ahead, 57-

56, with 7½ minutes left in regulation. The game was a back-and-forth affair the rest of the way. Kentucky guard Travis Ford made two free throws with 10 seconds left to tie the score at 71. Michigan called time out, and inbounded the ball to Rose, who — in Kentucky's eyes — committed a charging foul before getting across halfcourt and calling time out with three seconds left. When play resumed, Michigan again got the ball to Rose, who missed a jumper from the top of the key while — in Michigan's eyes — being fouled by Rodney Dent.

In overtime, Kentucky grabbed a 76-72 lead in the first 1½ minutes, but the game began to unravel for the Wildcats when Jamal Mashburn, their all-American junior forward, fouled out with 3:23 left.

Mashburn, who has said he will enter the coming National Basketball Association draft, had scored 26 points and become a greater and greater focus of Kentucky's offense as the guard Dale Brown (16 points) left because of a shoulder injury with more than six minutes left in regulation. Forward Jared Prickett fouled out 24 seconds into overtime and Ford struggled all night against Michigan's excellent perimeter defense. Ford, who entered averaging 15 points on 67 percent shooting in Kentucky's first four tournament games, scored 12 points on 3-for-10 shooting. After Mashburn's fifth foul, Howard made one of two free throws, bringing Michigan within 76-73. Kentucky's Rodrick Rhodes missed a jumper, and Jackson made two free throws after being fouled on a follow-up shot. The Wolverines were within 76-75 with 2½ minutes left.

Wolverines' Overtime Habit

Los Angeles Times Service

NEW ORLEANS — Michigan and Kentucky provided the overtime at a Final Four since the 1989 championship game, which was won by Michigan over Seton Hall, 80-79. Saturday was the fourth anniversary of that game.

Four of Michigan's last eight games — victories over Michigan State, Illinois, UCLA and Kentucky — have gone into overtime. "Hard on my body, too," said the forward Ray Jackson. "Hard on my TV's. You can't get off the couch when Michigan plays."

Said his teammate Rob Pelinka: "We just want to keep everybody tuned in to their TVs. You can't get off the couch when Michigan plays."

Bradley Opts For NBA, Leaving BYU

The Associated Press

SALT LAKE CITY, Utah — Shawn Bradley, the 7-foot, 6-inch center who set a National Collegiate Athletic Association shot-blocking record as a freshman at Brigham Young, has decided to enter this year's National Basketball Association draft.

The 228-meter Bradley, 21, will return in June from a two-year mission in Australia for the Church of Jesus Christ of Latter-day Saints.

Bradley repeatedly had said he would return to Brigham Young to play at least his sophomore season. But he told his parents in a phone call from Australia on Thursday that he had changed his mind.

"When we got the call yesterday, the first thing I said was, 'It's April Fools', Shawn. Is this a joke?" Reiner Bradley, the player's father, said on Friday. "Shawn assured me it was April 2 in Australia."

The elder Bradley said the risk of a career-ending injury, a possible cap on NBA rookie salaries and a childhood dream of playing professional basketball were the biggest reasons for his son's decision.

Bradley will return just three weeks before the season. Although he will tower over all NBA players but the 7-7 Mamute Bol, Bradley is a light 235 pounds (106 kilograms). "He'll have a lot of things to adjust to," his father said. "I don't think he knows what he's in for."

Bradley will be represented by the agent Dave Falk, who also represents the Bulls' Michael Jordan.

Bradley played for BYU in 1990-91, leading the Cougars to a 21-13 record and an NCAA playoff appearance. He led the nation with 177 blocked shots, an NCAA record for a freshman, averaging 5.2 rejections, eight rebounds and nearly 15 points a game.

His 10 blocks against Virginia in an NCAA first-round game set a tournament record that was broken a year later when LSU's Shaquille O'Neal had 11 against BYU.

Reiner Bradley said his son had been nervous about telling his mother, Teresa, that he was not returning to school. But he said "she took it just fine."

Bradley said he and his wife met with several agents during the NBA All-Star weekend in Salt Lake City in February.

"Then we sent him a letter," he said. "We didn't call him because we didn't want to disrupt his mission. What we didn't know is that Shawn was doing the same thing there."

The father and son later compared notes and discovered each had independently settled on Falk.

"He's very confident," Bradley said of his son. "He's resolved to this and has no regrets. He's been on his mind for two months."

SIDELINES

Rocca Rocks 'Em in Lyon Open Golf

LYON, France (UPI) — Constantino Rocca shot a course record 9-under-par 63 Sunday to win the Lyon Open golf tournament by six strokes, becoming the first Italian to win a European Tour event for 17 years and getting his first European tour victory in 10 years.

Two Swedes, Joakim Haeggman (66) and Australian-based Gabriel Hjertqvist (67), finished tied for second with England's Ryder Cup partner leader Barry Lane (64) and Paul McInley (68) of Ireland.

Greg Kraft, who's never finished higher than sixth in seven pro seasons, shot 3-under-par 69 to take a one-shot lead over Payne Stewart and Russ Cochran into the final round of the Freeport-McMoran Golf Classic in New Orleans.

Musseeuw Gets 4th Cycling Victory

SAINT NIKLAAS, Belgium (UPI) — Johan Musseeuw of Belgium, the favorite, won the Tour of Flanders classic Sunday, defeating Frans Meenen of the Netherlands in a sprint finish of the professional road cycling race.

It was Musseeuw's fourth victory this season and his second World Cup triumph of 1993. He took the season opener in the Netherlands at the GP Willebroeve, one lap at the Paris-Nice race and the Through Belgium race.

For the Record

Zheng Yuan, 25, of China suffered a heart attack Sunday while playing a doubles match against Indonesia in the finals of the Asian badminton championships in Hong Kong. A hospital spokesman said Zheng had a good chance of a full recovery. (APF)

Eddie Fogler quit as basketball coach at Vanderbilt to take the same job at South Carolina, one week after the school had seemingly hired Bobby Cremins of Georgia Tech, only to have him change his mind on coaching his alma mater. (UPI)

North Korea, citing heightened tensions in the wake of its refusal to accept international inspections of suspected nuclear sites, has rejected South Korea's plan to form a unified Korean team for the 1984 Asian Games, Kyodo News Service reported. (AP)

The site won its first NCAA ice hockey championship as Jim Montgomery scored three straight goals in the third period of a dramatic 5-4 victory over defending champion Lake Superior State. (UPI)

Virgil Hill retained his WBA light heavyweight title with a split decision over Fabrice Tiozzo of France in Levallois-Perret, France. (AP)

Alan Kulwicki, the 1992 NASCAR Winston Cup champion, and three other passengers were killed when the private plane in which they were flying crashed on its approach to the airport in Bristol, Tennessee. (UPI)

Quotable

Sherry Davis, the legal secretary who is the first full-time woman public address announcer in major league history, with the San Francisco Giants: "I'm here until they kick me out — like most jobs in baseball."

Steelers Sign Rams' Linebacker Greene

The Associated Press

The Pittsburgh Steelers signed Kevin Greene of the Los Angeles Rams, one of the National Football League's best pass rushers, as free-agent linebackers moved among those teams and the San Diego Chargers.

As Greene, one of only six linebackers in NFL history with 70 or more career sacks, moved to Pittsburgh, Henry Rolling left San Diego for the Rams and Pittsburgh's Jerrol Williams became a Charger.

The Steelers also confirmed a report that they had agreed to a verbal deal with the Cleveland Browns quarterback Mike Tomczak.

Cornerback Eric Thomas, meanwhile, left Cincinnati for the Jets. Greene, who had 72½ sacks in

eight seasons with the Rams, was paid \$900,000 last season, during which he had 10 sacks. The Pittsburgh Post-Gazette said the outside linebacker would receive a \$5.3 million, three-year contract.

The Steelers, who still must replace the inside linebacker Hardy Nickerson, who signed with Tampa Bay, chose not to match San Diego's one-year, \$1.7 million offer for Williams.

"We faced the decision of losing a proven player, but I think the situation with Jerrol Williams was pretty clear-cut," said the Steelers' coach, Bill Cowher.

Pittsburgh will receive a fourth-round draft choice as compensation for Williams, who is entering his fourth season. Williams led the

Radja Said to Ready Move to NBA

The Associated Press

MILAN — The Croatian center Dino Radja is preparing to leave Roma of the Italian League to join the National Basketball Association, the Italian sports daily Gazzetta dello Sport reported.

Radja, 25, is in talks with both the Phoenix Suns and Boston Celtics to move to the NBA next season, the Milan daily reported on Saturday.

Roma officials said that Radja's departure was a possibility but declined to elaborate.

Club sources indicated that a \$500,000 penalty clause for a breach of the contract was a problem to overcome for Radja.

Radja was known to be unhappy with Roma after the team failed to qualify for the 1993 league playoffs and then made no immediate plans for strengthening the squad for next season.

Roma, formerly Il Messaggero, missed the playoffs after releasing

the American star Rick Mahorn, who is now with the NBA's New Jersey Nets, and losing the sponsorship of the Ferruzzi agro-industrial group, in the middle of the regular season.

Radja was Roma's leading scorer, with 646 points for an average of 21.5 points per game.

Price Off Foul-Shot Mark
Mark Price of the Cleveland Cavaliers missed a foul shot on Friday that would have tied him with Calvin Murphy for the NBA record of 78 straight free throws.

Price leads the league with a 95 percent free-throw percentage, having made 239 out of 250.

Murphy, a 5-foot-9 (1.75-meter) guard, set his record in the 1980-81 season while playing for the Houston Rockets.

Price, 29, is a 6-foot point guard in his sixth year out of Georgia Tech. He was selected by Dallas in the second round of the 1986 draft, 25th overall, and traded to Cleveland before that season.

After making five straight for 76 in a row, Price was fouled on a baseline drive with 6:22 left in the game and Cleveland trailing 99-91. He swished the first, but

bounced the second off the back rim. He then grabbed the rebound and made a 3-pointer to bring Cleveland to 99-95.

Cleveland lost, 114-113, when Kendall Gill made a layup with 12.7 seconds left for the final margin.

Price entered the game with 71 straight, tied with Larry Bird's run for Boston in the 1989-90 season.

His fifth foul shot in the first half put him past Ricky Pierce's streak of 75 in a row during the 1991-92 season.

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Senators Set Mark, for Road Losses

The Associated Press

The first-year Ottawa Senators have three more chances this season to do something they haven't been able to do so far in the National Hockey League — win away from home.

A 7-3 setback to the Hartford Whalers on Saturday extended their road losing streak to an NHL record 38 in a row. That broke the 37-game road streak set by the 1974-75 Washington Capitals.

"At one point, they had taken five shots, had four goals and one goal post," said Ottawa's coach, Rick Bowness. "That's the story tonight."

Ottawa has dropped 12 in a row, is 2-19-0 since Feb. 9 and has slipped to 9-65-4 overall.

Last year, the Quebec Nordiques had a chance to become the only NHL team to go winless on the road. But they defeated the Whalers, 10-4, March 6, 1992, for their first road victory in almost a year.

The Capitals set an all-time NHL worst record of 8-67-5 for 21 points, but the Senators, at 9-65-4, have already surpassed that.

Penguins 5, Nordiques 3: Red-hot Mario Lemieux has two goals and an assist in Quebec as Pittsburgh won its 13th straight.

The Penguins are two short of the league record of 15 consecutive victories, set by 1981-82 New York Islanders.

Lemieux, who has 61 goals and 86 assists, boosted his lead to four points over Buffalo's Pat LaFontaine in the individual scoring race. He also extended his scoring streak to 13 games. Lemieux has 43 points in his last 15 games, since returning March 2 from cancer treatments.

Jets 6, Oilers 4: Russian rookie Alexei Zhamnov, Winnipeg's other first-season sensation, scored twice in Edmonton for the playoff-bound Jets.

Teemu Selanne, the front-runner for rookie of the year, had three assists, figuring in both of Zhamnov's goals.

The 23-year-old man who wears a hockey puck costume as the New Jersey Devils' team mascot has been accused of molesting three female vendors during games.

Brad Ebben of Mendham was released on his own recognizance after appearing last month in municipal court in East Rutherford, where the Devils play their home games, said the Bergen County prosecutor, John Fahy.

Two complaints of criminal sexual conduct and one of harassment were filed. The charges will be presented to a grand jury.

The team has suspended Ebben, Fahy said.

Terms of the Jets' deal with Thomas, who played six seasons with the Bengals, were not available. He was the third free agent signed by New York, which earlier signed safety Ronnie Lott and defensive end Leonard Marshall.

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